NORTH-CHINA DAILY NEWS

VOL. CXXXXII. No. 23313. 字林西報 SHANGHAI, WEDNESDAY, JANUARY 3, 1940 Registered at the C.P.O. (Postage: China and Japan 1 cent, abroad 30 cents.) TWENTY CENTS

SHANGHAI MUNICIPAL COUNCIL
MUNICIPAL INVESTMENT BANK

Periodical Investment Deposits

Deposits carrying interest at the rate of 5 per cent. per annum will be received at the Loans and Banking Office, Finance Department, Room 257, Administration Building, 209 Kiangse Road.

from WEDNESDAY, JANUARY 3 to FRIDAY, JANUARY 5 inclusive.

Fixed Deposits

The Bank is open for the receipt of Fixed Deposits for six and twelve months carrying interest at the rate of 5 per cent. and 6 per cent. per annum respectively under the terms of Municipal Notification No. 4911 each day on which the Council's offices are open for public business.

Further information may be obtained from the Treasurer, Admmistration Building. 10086

SHANGHAI TELEPHONE CO.
Federal Inc. U.S.A.

NOTICE

NOTICE IS HEREBY GIVEN that as from the close of business on December 31, 1939, SHANGHAI TELEPHONE COMPANY, FEDERAL INC. U.S.A. has purchased substantially all of the property and assets and assumed all of the liabilities of Shanghai Telephone Company and has taken over its entire business and undertaking as a going concern.

JAMES E. FULLAM,
President.

Shanghai, January 1, 1940.

10021

NOTICE

THE KAILAN SALES AGENCY
and
THE KAILAN WHARF AGENCY

NOTICE IS HEREBY GIVEN that by mutual arrangement the partnership now subsisting between the undersigned for the operation of The Kailan Sales Agency and The Kailan Wharf Agency will be dissolved on December 31, 1939.

A liquidation office will be established in Room 324A, Third Floor, Hongkong & Shanghai Bank Building, to wind up the affairs of the partnership and to deal with any enquiries regarding the same.

Partners:
O. S. LIEU,
THE KAILAN MINING ADMINISTRATION.

Shanghai, December 31, 1939. 13230

NOTICE

We take pleasure in announcing that Mr. NICK I. YAPPO has joined our firm as from January 1, 1940, and will be in charge of our Vauxhall Department.

RELIANCE MOTORS Fed. Inc. U.S.A.

Distributors for: Vauxhall, Buick, Cadillac, La Salle.

L. D. CARSON, *Manager.*

10092

NOTICE

Mr. John McNeill has retired from our firm as from December 31, 1939.

HANSONS,
49 Szechuen Road
Shanghai.

January 1, 1940.

10017

NOTICE

Mr. Peter Watkin Williams is admitted a partner in our firm as from January 1, 1940.

HANSONS,
49 Szechuen Road
Shanghai.

January 1, 1940.

10019

The "I.C."
(International Committee for the Organization of European Immigrants in China)

has removed from 190 Kiukiang Road to

Sassoon Arcade, Sassoon House, Nanking Road

Tel. 16637

10046

Change of Address, etc.

BATEMAN-KING SCHOOL OF DANCING

22 Route Cardinal Mercier

10088

Mr. JOHN McNEILL
has removed to Glen Line Building
2 Peking Road
Tel. 12293.

January 1, 1940.

10018

To-day's Events

JANUARY

3 Dinner Dance, Floorshow, C.S.F., 8.30
3 A.D.C. 'Busman's Honeymoon', Lyc. 9.15
3 *Customs and Bank holiday*
3 *Shanhaikwan occupied by Japanese (1933)*

N.C.D.N. Broadcast: 12.45 and 9 p.m.
Station XMHD: 760 kilo., 395 metres

Coming Events

JANUARY

4 S.W.A., French Club, 4
4 A.D.C. 'Busman's Honeymoon', Lyc. 9.15
4 Rotary Club, Metropole Hotel, 12.15
5 Reel Club, Annual General Meeting and Practice, Cricket Club, 9
5 A.D.C. 'Busman's Honeymoon', Lyc. 9.15
6 A.D.C. 'Busman's Honeymoon,' Lyc. 3
6 A.D.C. 'Busman's Honeymoon,' Lyc. 9.15
7 Municipal Orchestra Concert, Lyc. 5.15
8 Engineering Society Meeting, 5.45
9 A.W.C.: Wm. Blackstone, baritone, 4.45
9 For. Y. Lecture: 'Chinese War Finances and Currency,' by Mr. E. Kann
9 Artist Club, Eastern Theatre, Hongkew 'Nathan the Wise,' by Lessing
9 'Mme. Butterfly,' opera, Lyceum, 9
10 K.D.S. mtg., 1292 Joffre, tea 4.30, bus. 5.15
10 'Mme. Butterfly,' opera, Lyceum, 9
11 Rotary Club, Metropole Hotel, 12.15
11 B.W.A. Classical Concert, 5.30
11 'Night in Moulin Rouge' by G. Gilbert, Light Opera, Lyc., 8.45
12 Shanghai Camera Club, Meeting and Lecture, 330 Szechuen Road, 9
13 'Night in Moulin Rouge,' L.O., Lyc., 8.45
14 'Night in Moulin Rouge,' L.O., Lyc., 8.45
15 For. Y. Lecture, "Elementary Photography" by Mr. R. V. Dent, F.R.P.S., F.R.M.S.
16 A.W.C.: Miss Peterson on 'India,' 4.45
17 B. Zakharoff and V. Havsky in a Concert for Two Pianos, Lyc., 9.15
18 Rotary Club, Metropole Hotel, 12.15
18 B.W.A. embroidery exhibition by pupils of Mrs. Schoenbek
20 Shanghai Scottish Coy., S.V.C. Silver Jubilee Dinner, S.V.C. Club, 8
20 Grand Operatic Concert, Lisa Robitchek, Ernest Krasso, Lyceum, 9
20 B.W.A. Sports Section Dance, 9

FEBRUARY

1 Ballet Russe gala performance of 'Tsar Maiden,' fantastic ballet, Lyc., 9
3 Ballet Russe, 'Tsar Maiden,' Lyc., 9

Charge for items $2 per line, which includes all insertions till date of event.

NOTICE TO CONSIGNEES

Damaged cargo ex m.v. "CORTELLAZZO" will be examined by Messrs. Paulsen & Bayes-Davy, on Thursday, January 4, at 9 a.m. at the Shanghai & Hongkew Wharf (Shanghai side) Lloyd Triestino—26 The Bund, Telephone 16885

10029

MOLLERS' LIMITED

CAPTAIN J. W. JONES will assume the position as Private Secretary to the undersigned as from January 1, 1940, and all business correspondence and/or interviews intended for myself, should be addressed to this gentleman.

ERIC MOLLER, SENIOR
Governing Director:—
MOLLERS' LIMITED.

10081

ASIA REALTY REORGANIZATION PLAN

A group of debenture holders representing over $1,300,000, propose to petition the U. S. Court to postpone for a reasonable time its definite decision regarding the reorganization of the Realty Co. in order to give them an opportunity to draw up an alternative scheme.

Any debenture holder who wishes to acquaint himself with this petition may do so by calling at Mr. SPEELMAN'S office (International Savings Society), 7 Avenue Edward VII, on THURSDAY, 4th January 1940, between 10 and 12.30 noon.

13237

THE SHANGHAI KEDAH PLANTATIONS, LTD
(Incorporated under the Companies' Ordinances, Hongkong)

NOTICE IS HEREBY GIVEN that Certificate No. 745 for One hundred and fifty shares numbered 223624/223773 in the name of Mr. Fun Liang Shing is declared to have been lost and unless its existence is notified to the undersigned within 30 days hereof, the same will be cancelled in the books of the Company and new Certificate issued in its place.

By Order of the Board of Directors,
A. R. BURKILL & SONS, LTD.,
Secretaries.

Shanghai, December 1, 1939.

12705

NOTICE OF REMOVAL

Announcement is made of our removal from 356 Peking Road to

9 QUAI DE FRANCE

Effective this date our telephone has been changed to

88402

A. P. PATTISON & CO.
9 Quai de France
Telephone 88402, Private Exchange

Shanghai, December 31, 1939.

10084

For MILK
Richest in CREAM
Grade "A" (T.T.)
apply to
Lucerne Dairy Farms
381 Great Western Road, Tel. 20470

10003

BEST WISHES FOR 1940 TO ALL

C. E. SPARKE
INSURANCE OFFICE
Agents:
PHŒNIX ASSURANCE CO., LTD.
Established 1782 Assets £30,000,000
18 The Bund Telephone 11303

COLUMBIA RADIO
British and Best

NORGE
for refrigeration

COLUMBIA
ELECTRIC ROOM HEATER

ELECTRIC AND MUSICAL INDUSTRIES (CHINA) LTD.
878 BUBBLING WELL ROAD
Telephone 36865

10001

BE A YEAR AHEAD

By owning a Chrysler car. Chrysler has led the field in engineering developments and road performance for 15 years.

Have next year's outstanding features by buying this year's Chrysler—The Car Ahead.

MARK L. MOODY
Fed. Inc. U.S.A.
After We Sell—WE SERVE
80 Avenue Edward VII
Telephone 13083

THE JANUARY ISSUE OF

"ORIENTAL AFFAIRS"

(Edited by H. G. W. Woodhead, C.B.E.)

is a DOUBLE NUMBER including

A THIRTY-PAGE REVIEW OF EVENTS IN THE FAR EAST IN 1939

Other articles of interest deal with

AMERICAN-JAPANESE RELATIONS
CHINA AND THE LEAGUE
THE PASSING OF WU PEI-FU
ETC.

A convenient and useful New Year's reminder to head and branch offices, business friends, and relatives at home.

PRICE $3 a Copy

Of all Booksellers and Newsagents or from

THE PUBLISHERS
19 Avenue Edward VII Tel. 84080

10037

CATHEDRAL GIRLS' SCHOOL

re-opens for Spring Term on Monday, January 8, 1940.

The Acting Head Mistress will be free to interview parents on Friday, January 5 and Saturday, January 6, from 10 a.m. till noon. 10043

SHANGHAI FOREIGN EXCHANGE BANKERS ASSOCIATION SHANGHAI

NEW YEAR

The Member Banks of the above Association will be closed for the transaction of Public Business on Monday, Tuesday and Wednesday, January 1, 2 and 3, 1940, on account of the above. 13200

GYMKHANA

for boys and girls at
ASCOT RIDING SCHOOL
on January 4, 2.30 p.m.

13231

I.E.S. "BETTER SIGHT" LAMPS
Registered *Trade Mark*

The I.E.S. Specification guarantees a correct Instrument for Seeing.

HOLLIS H. ARNOLD INC.
Illuminating Engineers
51 CANTON ROAD TELEPHONE 17805

10002

The Connoisseur calls for genuine

MARTINI & ROSSI VERMOUTH

Renowned throughout the world for the subtle excellence of its flavouring

Obtainable at all Compradore Stores or direct from

CALDBECK'S

44 Foochow Road Telephone 17589

THE WORLD AUXILIARY INSURANCE CORPORATION, LIMITED.

LONDON

R. A. KREULEN, *General Representative.*

FIRE AND MARINE INSURANCE

2nd Floor, Continental Bank Bldg., 113 Kiukiang Road
Telephone 12867 (3 lines)

NOTICE

The undernoted Breweries will re-purchase at C.N. $2 each all beer crates issued by them on and after January 1, 1940. Payment for crates issued before January 1, 1940, will be adjusted on the terms in force prior to that date.

UNION BREWERY LIMITED
EWO BREWERY CO.

10027

ON JANUARY 1, 1940

THE AMERICAN FAR EASTERN SYNDICATE, INC.
(Incorporated New York, U.S.A.)

will become the Distributing Agents for the Products of

THE WESTINGHOUSE ELECTRIC INTERNATIONAL CO.
NEW YORK, U.S.A.

MERCHANDISING DIVISION
Refrigerators, Air Conditioning, Radios,
Commercial Refrigeration, Electrical Appliances.

T. FITZ RANDOLPH, *President,*
AMERICAN FAR EASTERN SYNDICATE, INC.

Office & Showroom: 620 Szechuen Road, Telephones 10368, 12120

13234

For Smooth Performance
of your car, bring it to
MAJESTIC MOTORS SERVICE STATION
1460 Bubbling Well Road
Telephone 39893

10038

A PERFECT SEAT

will be acquired by being expertly taught by one of the following instructors:

Colonel A. P. Bendersky
Peter Zarianko
Captain N. D. Danilcff
E. N. Sokoloff
Captain A. A. Gourvitch

COLUMBIA & GREAT WESTERN RIDING ACADEMY
470 Great Western Road, Tel. 22012
General Manager, N. I. KRIKORIANTZ.

10039

CHEVROLET
CARS AND TRUCKS

should be included in your transportation budget for 1940.

Quotations on request

AUTO PALACE
100 Route Cardinal Mercier
Telephone 70180

10024

Model Dairy
for
Model Milk
"As standard as sterling silver"
Licensed to sell Grade "A"
Dairy Products
8 TIFENG ROAD, TELEPHONE 21997

10006

CULTY DAIRY
The Home of Quality Milk
Pasteurised Grade "A"
1567 AVENUE JOFFRE, TELEPHONE 70126

General Managers: KEYLOCK & PRATT

10005

BALLROOM CLASS
for
Ladies and Gentlemen
changed to
WEDNESDAYS 9 to 10 p.m.

ANN SUMMERS STUDIO
1205 Bubbling Well Rd. Cor. Seymour
Telephone 30340
Res. Telephone 77561

10022

EWO CLUB
WHISKY

Obtainable at all Compradore Stores

10040

NOT GOOD ENOUGH

Modern business cannot be served by printing that is "good enough." Progressive commercial concerns realize that good printing is an asset of great value. The North-China Daily News Printing Department has a reputation for quality.

Articles of Association
Share Warrants
Dividend Warrants
Share Certificates
Cheques
Account Books
Reports and Accounts
Minutes of Annual Meetings
Three Colour Reproductions
Catalogues
Stationery
Loose Leaf Ledgers
Freight Tariffs
Trade Circulars
Private Codes, etc.

NORTH-CHINA DAILY NEWS
PRINTING DEPARTMENT
17 The Bund, Shanghai, China.
Telephone 11055 Extension 5

LIGHT IN WEIGHT
AND
GREAT IN STRENGTH

In the LINCOLN ZEPHYR closed types the body and frame are one. Steel trusses form a rigid, unyielding framework over which steel panels are welded—top, sides, bottom—providing transportation without squeak or rattle and adding to the safety of your family under all driving conditions.

BILLS MOTORS
Fed. Inc. U.S.A.
615 Ave. Foch. Tel. 74400 (6 lines)

LOST. One pair gloves in Taylor taxi, January 1. Will finder kindly telephone 51517. -28

WANTED buy secondhand carpets, trunks, suits, dresses, shoes. Telephone 39965, ask Mr. Bers, 8-10 a.m. 1-3, 6-8 p.m. 10140

ENGLISH accountant many years experience with large corporations, first-class testimonials from chartered accountants and others, at present employed, seeks change, address Box 5615, NCDN. 13223

FOR SALE by British lady, two beautiful new silver-foxes, large size, length 48 inches head to tail. Really exceptional quality. Address Box 5621, NCDN. -10614

Classified Advertisements continued On Page 12

EWO GIN
Distilled in England
Obtainable at all Compradore Stores

10034

NEDERLANDSCH INDISCHE HANDELSBANK, N.V.

255 KIANGSE ROAD, CORNER OF KIUKIANG ROAD

HEAD OFFICE: Amsterdam, Holland.
SUB-OFFICES IN HOLLAND:
The Hague and Rotterdam.
HEAD OFFICE for the NETHERLANDS EAST INDIES: Batavia.
BRANCHES:
NETHERLANDS EAST INDIES:
Ampenan, Bandjermasin, Bandoeng, Banjoewangi, Cheribon, Djambi, Gorontalo, Makassar, Malang, Medan, Menado, Palembang, Pekalongan, Pontianak, Probolinggo, Semarang, Soerabaia, Tandjong Balei, Tegal, Telok-Betong, Tjilotjap, and Weltevreden.
BRITISH INDIA:
Bombay and Calcutta.
CHINA:
Shanghai, Hongkong and Amoy.
THE PHILIPPINES: Manila.
STRAITS SETTLEMENT: Singapore.
JAPAN: Kobe and Tokyo.

All Banking Transactions.

C. G. RIEM, Manager.
Shanghai

YOKOHAMA SPECIE BANK LIMITED
(Established 1880)

CAPITAL (fully paid-up) ¥100,000,000
RESERVE FUND ¥139,650,000
Head Offices: YOKOHAMA, JAPAN
Shanghai Branch: 24 THE BUND

Branches

Alexandria	Kobe	Rio de Janeiro
Bangkok	London	Samarang
Batavia	Los Angeles	San Francisco
Berlin	Manila	Seattle
Bombay	Moji	Shanghai
Calcutta	Mukden	Singapore
Canton	Nagasaki	Sourabaya
Dairen	Nagoya	Sydney
Hamburg	New York	Tientsin
Hankow	Osaka	Tokyo
Harbin	Otaru	Tokyo
Hongkong	Paris	(Marunouchi)
Honolulu	Peking	Tsingtao
Hsinking	Rangoon	Yingkow
Karachi		

G. KISHINAMI, *Manager*

BANQUE BELGE POUR L'ETRANGER (EXTREME-ORIENT) S.A.
(Affiliated to the Société Générale de Belgique)

Capital: Frs. 30,000,000
Reserves: Frs. 3,000,000

Head Office: BRUSSELS

Branches:
SHANGHAI, TIENTSIN, HANKOW, HONGKONG

Correspondents in all parts of the world.

華僑銀行有限公司
OVERSEA-CHINESE BANKING CORPORATION, LTD.
(Incorporated in the Straits Settlements)
120 Kiukiang Road

CAPITAL:
AUTHORIZED Sts. Currency $40,000,000
PAID-UP Sts. Currency $10,000,000

Successors to
The Ho Hong Bank, Ltd.
The Chinese Commercial Bank, Ltd.
The Oversea-Chinese Bank, Ltd.
Head Office—SINGAPORE
Branches and Correspondents At Principal Cities of the World

Every description of Banking and Foreign Exchange Business transacted.

C. L. TAN, *Manager*

THE SALE OF SALES

THE BIGGEST DISPLAY—THE BIGGEST BARGAINS IN OUR HISTORY

AT WHITEAWAY'S

ON JANUARY 1, 1940

THE AMERICAN FAR EASTERN SYNDICATE, INC.
(Incorporated New York, U.S.A.)

will become the Distributing Agents for the Products of

HOWE SCALE CO.,
Rutland, Vermont, U.S.A.
Commercial Scales for all purposes and
ACME PRODUCTS
Safes, Heating and Cooking Stoves,
Steel Office Furniture.

T. FITZ RANDOLPH, *President.*
AMERICAN FAR EASTERN SYNDICATE, INC.

Office & Showroom: 620 Szechuen Road, Telephones 10368, 12120

13233

INVENTORY SALE
of dresses, costumes and coats

Beginning January 3, 1940, we will dispose of our stocks of dresses, costumes and coats at an enormous

REDUCTION OF FROM 20-50%

MODETYPE
1470 BUBBLING WELL ROAD, HARDOON ROAD BUS STOP

-10707

VERVIN
The Tonic

A powerful quick acting tonic for adult persons indicated in conditions of mental and physical fatigue. Restores bodily and mental vigour in a remarkably short time. Taken during convalescence it stimulates the appetite, builds up the system, and restores tone to the nerves, muscles, and brain.

$3.75

WATSON'S

A. D. C.
presents
BUSMAN'S HONEYMOON
A detective comedy in three acts by Dorothy Sayers and M. St. Clare Byrne

LYCEUM THEATRE
JANUARY 3, 4, 5 and 6, at 9.15 p.m.
MATINEE: SATURDAY, JANUARY 6, at 3 p.m.
Booking at Moutrie's and at the Theatre

13098

1940 Edition Now On Sale

THE
CHINA COASTERS' TIDE BOOK
AND NAUTICAL POCKET MANUAL

Purchasers are requested to fill up the form below and forward same to this office. Orders will be filled in rotation.

PRICE $9

POSTAGE: China 20 cents, Hongkong 35 cents, Abroad $1

North-China Daily News & Herald, Ltd.
17 The Bund, Shanghai

Please send me ..... copy ..... of "The China Coasters' Tide Book," 1940.

Name ..... *Address* .....

.....

Enclosed Cash $..... Cheque .....

LETTERS TO THE EDITOR

Correspondence for this column should be addressed to the Editor, North-China Daily News Office, 17 The Bund, Shanghai, and to ensure secrecy, marked "Letters to the Editor"

Seamen's Christmas: Participants' Thanks

To the Editor of the
"North-China Daily News"

Sir,—May I express through your columns my very grateful thanks to those who subscribed in money and in kind for our Christmas entertaining of our Merchant Navy men. Donations amounted to the splendid sum of $825 and gifts in kind were two turkeys from Mr. Wong, one case of apples from Tai Kee, Tailor, 50 lbs. of cake from Bakerite, cigarettes from the Yee Tsoong Tobacco Co., Ltd., a Christmas tree from the Engineers' Club and cakes from Mrs. C. Fletcher and Mrs. Redvers Smith. I enclose a copy of a letter from two of the men from the P. & O. Narkunda.

"Dear Padre,—We feel we must write and thank you and Mrs. Weaver and the residents of Shanghai for the splendid evening and the excellent supper we had with you on Christmas Day. We and the rest of the "Boys" of the Narkunda who were present wish to express our gratitude and appreciation of your fine effort on our behalf.

We should like to take this opportunity to wish you and the Mission every success in the coming year. Hoping to spend equally pleasant times with you and Mrs. Weaver in the near future,

Yours sincerely,
J. Agles
W. F. Shepheard.

Dec. 26, 1939.

F. W. Weaver, *Chaplain.*
Shanghai, Jan. 1.

St. Joseph's Party: Mother Superior's Thanks

To the Editor of the
"North-China Daily News"

Sir,—May we offer through your newspaper our heartfelt thanks to all the kind friends and former pupils of our St. Joseph's Institution who, present or prevented from being present, so generously contributed to the joy of our 130 children at our annual Christmas party. Thanks to the charity of so many kind benefactors, to the Henningsen Produce Co. and to many anonymous friends, the children had a delightful party. Included among those who attended we may mention Mrs. E. Otto, Mrs. Marques, Mrs. J. Ribeiro, Mrs. Julia Campos, Miss W. Perkins, Mrs. M. Oliveira, the President of the Canadian Club of Shanghai, Miss A. Alihanan, Mrs. D. W. Crawford, Mr. and Mrs. A. Black, Mrs. L. W. Pettitt, Mr. B. Raworth, Mrs. Palmer Baker, Mr. and Mrs. C. Lowe, Mr. Molloy, Mrs. and Miss Sands, Miss M. Malone, and Mme. Sax.

May Almighty God's blessing be upon all those who so kindly help us in our work!

M. A.

For the Rev. Mother Superior.
Shanghai, Jan. 2.

England Will Carry On

Her Film Producers, Burned by Last War, Have Learned Lesson on Perseverance

THE day after the opening of the British-made "Four Feathers" on Broadway a couple of months back, a few of our executives were discussing the reviews of the film at lunch, writes Arthur W. Kelly, Vice President of United Artists in charge of foreign distribution to the New York "Times." Some one called attention to the last line in the "Times" review: "In spite of all the competition, the Capitol has the biggest and best show in town."

"Imagine such a statement being made about a British picture!" commented another. "Why I can remember. . ." I can remember too. I can remember when you could empty a room full of American distributors and exhibitors quicker by shouting "British picture!" than by hollering "Fire!" They were about as eager to handle a British film as they were to touch a leper.

British films in those days were poison at the box office. They were below the see-level of our Hollywood-conditioned movie fans. They lacked scope, were limited in appeal, national, insular. Even the so-called English super-film was like a million-dollar cheque on a ruined bank, i.e., it looked big, it promised great things, but you couldn't cash in on it. So it's something of a major miracle that in less than two years the status of the British picture in America has changed from a lowly, despised, poor relation to that of an honoured guest.

To be sure, even today British pictures are not bought—they must be sold. There is still considerable sales resistance on the part of the American exhibitor, due to poor British films in the past. But box office hits like "Good-bye, Mr. Chips" and "Jamaica Inn"—to mention only a few of several current samples—have made it far easier to sell them now than it was two years ago.

Four Simultaneous Showings

In fact, the proof of the British film pudding is the rather unusual circumstance that early this year there were four British productions showing simultaneously on Broadway—"The Beachcomber," "Pygmalion," "The Citadel" and "The Lady Vanishes." And all making money!

The question naturally arises: What will happen to the flourishing British film industry now that the war in Europe has put a grim period to all production over there? Will history repeat itself? Will picture-making in England become a "lost industry"? That's what happened in the last war. Prior to 1914 Britain ranked as the most important producer of pictures, with Italy and France as runner-uppers. America was then the big customer of these countries, but in those more or less happy days shadow entertainment was confined to single reels of 1,000 feet.

The start of the World War brought a complete blackout to the thriving British films. Studios were abandoned; all available manpower was pressed into military service. It was America's opportunity. With sources of film supply in England and Continental Europe cut off, American producers started production of their own, and with typical energy and enterprise were soon supplying all of war-torn Europe, as well as the rest of the world, with motion-picture entertainment.

Even the entrance of the United States in the war failed to stop the amazing progress of the fledgling industry. It was "picture business as usual." By the time the armistice was signed, America was the dominant factor in the world film market. Too late Britain realized what a tremendous asset she had permitted to slip through her fingers.

Attempt to Revive

During the next ten years, while Hollywood was consolidating her position as the cinema capital of the world, England was making spasmodic attempts to revive her moribund film industry, but with little success. With the exception of one or two men like Herbert Wilcox, who even then showing the promise he has so brilliantly fulfilled in recent times with such films as "Victoria the Great," "Sixty Glorious Years" and "Nurse Edith Cavell," there were no producers or directors capable of turning out pictures with international appeal.

Human nature being what it is, it isn't surprising that instead of blaming their own lack of showmanship, the British producers blamed America's lack of reciprocity for their troubles. America, they said, had captured the British screen; America was taking millions of dollars out of Great Britain; yet America refused to show British productions in their theatres. This agitation reached a climax in the so-called "Quota Law"—the Cinematograph Films Act of 1928—designed to aid British production by forcing American distributors operating in England to release, and British exhibitors to show, a certain percentage of homemade product.

Unfortunately for the British film industry, you can't legislate entertainment onto the screen; you've got to produce it. Good pictures are not a by-product of quotas, money embargoes and political censorship, but the result of motion-picture knowledge and training and experience. Britain soon discovered that its "quota" pictures were just as unacceptable in America and the world market as her previous production efforts.

At this low point in its film fortunes in 1932 fate dealt Britain an ace. Practically overnight the man of destiny revealed himself in the person of Alexander Korda, Hungarian-born, Hollywood-trained. Korda conceived the notion of making a historical picture with a cast of little known players. British financiers to whom he broached the idea told him he was crazy, that there was no market for that type of picture. So with no encouragement and little capital, Korda went ahead and made "The Private Life of Henry VIII" anyway. The international success of this picture is now legendary.

"Shot in the Arm"

"Henry VIII" acted like a "shot in the arm for the British industry. Its immediate results were both good and bad. It encouraged Korda, Alfred Hitchcock and one or two others to go on to make quality pictures like "Catherine the Great," "The 39 Steps" and "The Ghost Goes West," which found a ready and cordial acceptance in America and elsewhere throughout the world.

On the other hand, it ushered in a period of "frenzied finance" in British film-making which practically wrecked the industry before it had run its course. Men with little or no experience blossomed forth as producers. Production companies were organized overnight. Money flowed like water as the usually conservative British financiers opened their coffers to the industry. Most of these promotional bubbles vanished into thin air along with millions of pounds sterling; the disillusioned financiers turned thumbs down on virtually all producers; expensive studios were shuttered; thousands were thrown out of work; and the industry dropped to a new low.

With London capital no longer available for British producers, American producers were impelled to start making their own "quota" pictures, employing a good deal of Hollywood talent. This policy not only proved wise and successful, but it brought new life, fresh courage and a saner perspective to the entire British industry.

The public's enthusiasm, critical acclaim and substantial grosses that greeted the release in America of these new British models, "A Yank at Oxford," "The Citadel," "Pygmalion," "The Lady Vanishes," "Drums," "The Beachcomber" and "Good-bye, Mr. Chips," convinced Britain that America was a wide-open market for pictures of genuine quality, no matter where they were made.

Importance of Industry

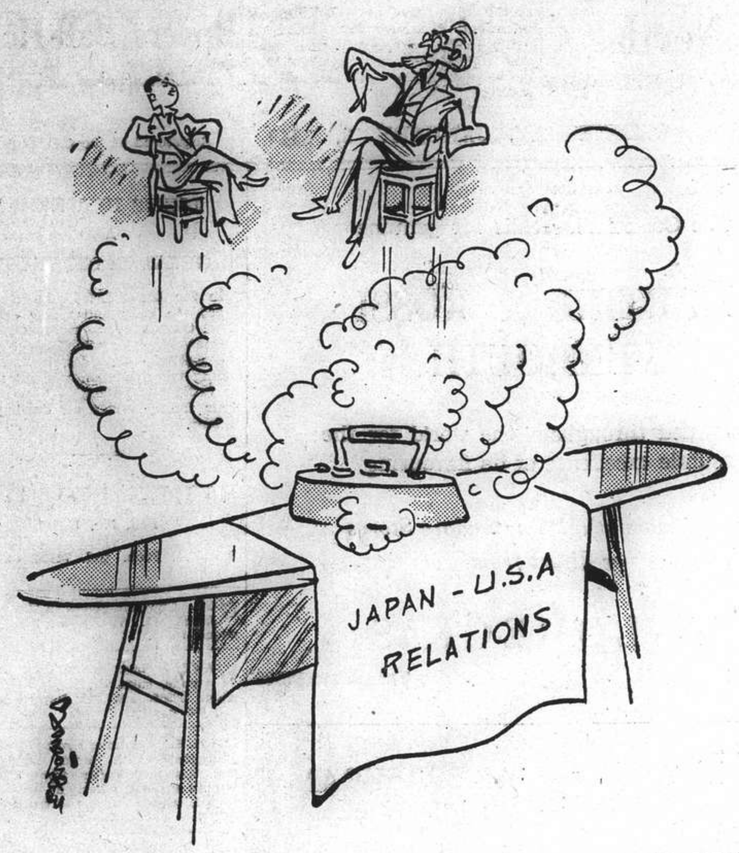
The outbreak of war, at the very moment when Britain had finally succeeded in making substantial gains in the American and world market, has again shaken the industry to its foundations. That the government realizes the importance of the industry is, of course, demonstrated by the reopening of the theatres.

But what of production? Will Britain repeat the mistakes it made in the last war? The answer is no! British picture-makers are determined to carry on—despite the war, despite the possibility of air raids, in the face of all odds. The general attitude seems to be: British production mustn't be allowed to stop, or even lag behind!

The consensus of British thought is well summed up by Adrian Brunel, vice-president of the British Association of Film Directors, who declared:

"The British film production industry has worked heroically for twenty years to recover the ground it lost in the last war. Now that we have created a growing demand for our films in the British Isles, throughout the Empire and in other parts of the world, it would be folly to allow to collapse an industry making a product so easily transported as films, to say nothing of the economic effect of throwing out of work a host of highly trained men and women."

Yes, Britain will carry on—and there is every reason to believe that with the coming of peace England will continue to be an important centre of international film production and continue to offer to Hollywood the rivalry that has made for superior screen entertainment on both sides of the Atlantic. Britain will not have to begin all over again.



BY SAPAJOU

Who Will Do The Ironing?

Way Now Clear for Central Regime

Japanese Journal States Obstacles Removed

Tokyo, Jan. 2.

The "Asahi Shimbun" declares that all fundamental issues for the formation of a new Central Government in China have been amicably settled, and a conference will take place in the near future between Mr. Wang Ching-wei, Mr. Wang Keh-min, head of the Japanese-sponsored government at Peiping, and Mr. Liang Hung-chih, head of Nanking régime.

The "Asahi" states it is expected that a conference of the "Central Political Council" will be held and that the Japanese Government will submit to the Cabinet Council a concrete plan for the formation of a Central Government.—Reuter.

Honours for Russian Army Chiefs

Moscow, Jan. 2.

General Shaposhnikov, Chief of General Staff, has been awarded the Order of Lenin for "successful direction and execution of operations ordered by the Red Army command." General Smorodinoff, Deputy Chief of Staff, has been awarded the Order of the Red Banner. The decree announcing these awards does not specify the operations which occasioned the distinctions.—Reuter.

Americans Abroad Must Give Fingerprints

Washington, Jan. 2.

As one of the counter-espionage measures now being enforced by the United States, the State Department has ordered all American citizens residing abroad to go to American consular offices as soon as possible to have their fingerprints taken and passports changed. Photostatic copies of their old passports, the Department revealed, will be sent here for comparison with original documents held in custody. Complete checks then will be carried out.—Havas.

Japan's Goodwill Plane Reaches Rome

Rome, Jan. 1.

The Japanese plane Yamato arrived here at 1.05 p.m. yesterday from Rhodes, completing a trial Tokyo to Rome flight in seven hops.

The flight is preliminary to regular passenger service by air between Tokyo and Rome. The plane carried a message from the Japanese Minister of War to the Premier, Signor Benito Mussolini.—United Press.

Fires Rage in Diamond Mountains in Korea

Seoul, Korea, Jan. 2.

Fanned by a violent snowstorm, fire swept through the forests of the famous Diamond Mountains in eastern Korea on New Year's day.

More than 100 houses were consumed by the flames that cut a path of destruction through hundreds of acres of rich timberland despite the energetic efforts of fire brigades to stem the spread of the fire.

Up to 7 o'clock yesterday morning, one person was reported missing.—Domei.

Seventy Years Ago

From the "North-China Daily News," of January 3, 1870

We must say a few words today, regarding ourselves. As we have already announced by advertisement, we have acquired the copyright and good-will of our weekly contemporary the "Supreme Court and Consular Gazette," which we purpose to incorporate with the "North-China Herald" publishing this afternoon, the first of the new series, under the title "North-China Herald and Supreme Court and Consular Gazette," subscribers to the 'North-China Herald" have generally expressed, to us, satisfaction with its compilation; and have admitted its value, both for purposes of record and a Home newspaper. Its summary of news was fairly comprehensive; it contained the most permanent of the leading articles that had appeared during the week in the "Daily News"; reprits of public meetings, which we imagine must be tolerably accurate, as we find they are generally adopted as official; papers and correspondence on various subjects of Chinese interest; reports of the more important law cases; and a carefully written commentary on the markets, and a list of prices current.

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GROCERY NEWS
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THE BOOK PAGE

Forty Years' Fortune

MOMENT IN PEKING A Novel of Contemporary Chinese Life. By Lin Yutang. Special authorized edition. Kelly & Walsh, Shanghai. $8.50.

This book may be described as doing for the upper middle classes of China what Pearl Buck's "The Good Earth" did for the agrarian and labouring classes of this country, except that it cannot be said to have the same poignant appeal. It is written in an easy, readable and interesting style, dealing with the fortunes of a well-to-do Chinese family of the retail merchant class of Peking from the time of the Boxer outbreak in 1900 up to the early part of the present Sino-Japanese hostilities, a period of nearly four decades of more or less continuous chaos and political disturbance in China. The story, said to be told in the usual Chinese novel style, opens with a scene in a Peking side street or *hutung* which describes the conversation of a group of carters gathered at the gates of a certain Mr. Yao, who, with his family, was about to flee from the city at the approach of the Allied forces on their way to the relief of the Foreign Legation quarter in that memorable year. It continues with the journey of the fugitives southward, describing their adventures in Shantung province. The family ultimately returned to Peking after the overthrow of the Boxer rebellion, which ushered in a period of progress and the introduction of many Western ideas and reforms. The story ends with the members of the family again fleeing from Peking, this time to Hangchow, when the present outbreak of war between China and Japan once more threatened them.

The Daily Round

The story is chiefly interesting to European and American readers for the way it depicts the everyday life of the Chinese at a time when the impact of the West upon the East has been most felt and great changes have been taking place. It also reveals the Chinese way of thinking and the reactions of these people to outside influences. The earlier chapters, of ccurse, show Old China, while the later chapters depict the New.

The two chief characters in the narrative are the daughters of Mr. Yao, and round them is woven a romance which, while not startling in any way, is sufficiently interesting to lead the reader on through the 815 pages of the book, and this in spite of the fact that the details of their daily existence are often somewhat trivial. Perhaps the book might be described as being more of a sociological study than a thrilling romance. Indeed, that the former was what the author intended it to be is indicated by a passage in his preface which runs:

> It is a story of how men and women in the contemporary era grow up and learn to live with one another, how they love and hate and quarrel and forgive and suffer and enjoy, how certain habits of living and ways of thinking are formed, and how, above all, they adjust themselves to the circumstances in this earthly life where men strive but the gods rule.

Publishers and Pirates

The book is interesting from another angle. This is that it represents an effort on the part of the publishers to combat the growing evil of book piracy that has become so prevalent in China. There being no copyright law in China, or rather China never having signed the Berne Convention, there is nothing to prevent the pirating of popular foreign books by Chinese publishers or printers, and recently, since the marked decline of China's currency in relation to foreign currencies, this has become a very profitable undertaking. Cheaply printed editions of a great many popular books published in England or America have been placed on the China market at absurdly low prices, without any royalties being paid to the authors or compensation to the original publishers. There appears to be no legal recourse in this flagrant piracy.

"Moment in Peking" was first published in the United States by the John Day Co., but the well-known Shanghai publishers, Messrs. Kelly and Walsh, were given the right to publish a cheap edition in China, to be known as the "Special Authorized Edition." The result is that readers in China can purchase this well-printed edition at the comparatively low price of Chinese National $8.50, whereas the American edition would cost them several times this sum. Whether the purpose of defeating the pirates will be accomplished remains to be seen. It is to be hoped that it will. If it does, the reading public in China may look forward to being able to purchase books that have had a successful run in England or America at prices within the scope of their means.—A. DE C.S.

Do you imagine then, that it is the land tax which raises your revenue? that it is the annual vote in the committee of supply which gives you your army? or that it is the mutiny bill which inspires it with bravery and discipline? No! surely no! It is the love of the people; it is their attachment to their government, from the sense of the deep stake they have in such a glorious institution, which gives you your army and your navy, and infuses into both that liberal obedience, it supports the right, it protects the oppressed, and it maintains public order. The nation is lulled by the temporary prosperity which accrues to it, until it is roused to a sense of its own misery. Liberty, on the contrary, is generally established in the midst of agitation, it is perfected by civil discord, and its benefits cannot be appreciated until it is already old.—ALEXIS DE TOCQUEVILLE.

* * *

If you are of the opinion that the principal object of a Government is not to confer the greatest possible share of power and glory upon the body of the nation, but to ensure the greatest degree of enjoyment and the least degree of misery to each of the individuals who compose it—if such be your desires, you can have no surer means of satisfying them than by equalizing the conditions of men, and establishing democratic institutions.—ALEXIS DE TOCQUEVILLE.

New Fiction

There is one form of relaxation in a blacked-out England—the saints be praised—which has not been rudely interrupted by the outbreak of war. Whatever has happened, or might happen, to the various public entertainments, books are still pouring from the presses in goodly number to be read by those in the midst of the struggle and by those more fortunate beings whose residence in far-away spots, such as Shanghai, precludes the possibility of their enjoyment being suddenly shattered by air raid alarms or the inky blackness of a war-time night. Among the newest novels which have reached this city is one by Mr. Winston Graham, **"Strangers' Meeting"** (Ward Lock, London. Colonial Edition 3/6). One critic in England has described this book as "a fine one for a blacked-out evening." The critic is perfectly correct. It is a fine book, not only for a blacked-out evening but for any other evening as well. Mr. Graham has chosen an excellent theme for his novel in the meeting at some remote Cornish fishing village of seven people drawn from different walks of life and from different areas of England and beyond. Out of this springs surprising results, in which romance and mystery play a vital and absorbing role. Mr. Graham paints his characters in a satisfying way, bringing out their different traits in a particularly vivid style. **"Strangers' Meeting"** is an enjoyable took, which has been well written. Among recent novels it stands out as one which is earmarked for a successful reception from the reading public.—R.S.

A terror-stricken gardener is aroused in the middle of the night by a muffled stranger, driven to an unknown destination with his head in a bag, and forced to dig.

> ....just as he was on the point of starting, something in the shape of the marked space made him pause. For an instant he stared incredulously. Then the awful truth dawned upon him. He started back with a cry of horror.
> "God—! God above us! It's a grave!"

He could not have been a reader of thrillers or he would have known what he would be told to dig, nor would he have been surprised at the human hand sticking out of the sack he had to bury. All the clue he could give to the place of his ghastly experience was that it was near a fir plantation and within earshot of a church—this, and the fact that John Richmond, an elderly J.P., had disappeared, was all that Superintendent Freeman and his amateur assistants had to go on. In **"The Missing Grave"** (Ward Lock, London. Colonial Edition 3/6) Mr. Max Dalman has produced an ingenious mystery, with the secret well preserved.—D.P.

"What Immortal Hand" (Nicholson & Watson, London 7/6) is a curious title, but a well-chosen one, as I think most readers will agree when they realize what it is intended to convey. Shakespeare wrote, "There is a divinity which shapes our ends, rough hew them as we will." This indicates Mr. James Curtis's meaning. Here we have a story of six slum children, five boys and one girl, born and brought up in their early years in dreadful surroundings and appalling conditions. Each life is taken in turn, and its course traced through youth, adolescence, middle age, till each arrives at its appointed end, good or bad, success or failure, fame or notoriety.

* * *

Knowledge of the types about which he is writing is essential to an author, and one of the main attractions of Mr. Curtis's novel is the verisimilitude with which he writes. He is never dull, and the vicissitudes which his characters encounter can be followed with sympathy and understanding. There is no hero and no heroine in this novel, but there is a measure of connection between the various characters in these dramatic pages, and the reactions of each to the trials, successes and weaknesses of the others make a fine psychological study. What chance have these slum children got?—not much, but some, if they seize such opportunities as come their way.

* * *

Mr. Curtis has no general panacea for the state of some of the things described, which are a disgrace and reproach to any civilized nation. Once a boy is down it is a thousand times more difficult for him to rise again than not to have fallen in the first place. System and environment everywhere seem to combine to defeat his attempts to get back. The book is easy reading, and whilst there is plenty of excitement there is something else too which gives the reader pause. A novel well worth reading.—R.F.C.M.

A novel by A. R. and R. K. Weekes is something to pick up with confidence—the Weekes sisters are never dull. So **"Revel's Wife"** (Ward Lock, London. Colonial Edition 3/6) is welcome even in these days. It is blessedly pre-war, even the shades of crisis do not touch it, and it takes one wandering from a happy England to an equally happy Algiers in the company of just the kind of people that it would be pleasant to wander with, eat, drink and be merry with, and sit with in the sun. Just to give value to the picture there is Revel, a very very nasty piece of work—but A. R. and R. K. Weekes know what to do with him. A book of happy entertainment.—D.P.

Books Received

Hitler's Twelve Apostles O. Dutch (Edward Arnold, London. 10/6) **The English Cabinet System** Wangteh Yu (King, London. 18/-) **The Place of a University in the Modern Community** The Rt. Hon. R. G. Menzies (Melbourne University Press 1/-) **Know Thy Enemy** W. Teeling (Nicholson & Watson, London. 10/6).

Fiction

Captain Flynn E. L. Long (Ward Lock, London. 3/6) **Only Her Husband** L. S. Mackinlay (Ward Lock, London. 3/6) **The Magic Ear-Drums** H. S. Keeler (Ward Lock, London. 3/6) **Proud Heart** L. Whetter (Ward Lock, London. 3/6) **The Four at Bay** M. Cross (Ward Lock, London. 3/6). **Escape** E. Vance (Collins, London. 8/6).

Guerilla Warfare in North

Japanese Forays Costly Owing to Difficulties In Keeping Communication Lines Open

SPECIAL TO THE "N.C.D.N."

THE Japanese call Shansi and Hopei occupied territory, that is to say, territory of which they are in undisputed possession and where their writ runs supreme. In actual fact, this claim is a very considerable exaggeration. For the territory over which they exercise effective control is limited to a narrow strip of country about ten miles wide, running on either side of the somewhat scanty network of railways in north China. Outside that area they have nothing whatever to say; one enters the territory of so-called still independent China.

Owing to the constant advances and withdrawals of both sides, it is impossible to give any figures for the relative dimensions or numbers of population of the two areas. The limits of the territory effectively controlled by the Chinese are roughly as follows:— The vast mountain area bordered in the north by the Peiping-Kalgan line, in the east by the Peiping-Hankow line, in the west by the main line that runs north and south through Shansi, and in the south by the Yellow River.

Into this wilderness of mountains the Japanese now and then undertake costly military forays, only to withdraw again promptly owing to the difficulty of keeping their communications open in such wild country, after suffering heavy losses, and without being able to effect any permanent occupation. Owing to hostilities, the two areas are completely cut off from each other and, though people know all about conditions in the occupied territory, one scarcely ever hears anything of what is happening in the still extensive areas outside Japanese control. Some recent information which has come to hand provides an opportunity of giving a few general details as to conditions that exist today in a part of the independent area.

This particular area is of special interest, because the influence of the so-called Communist Eighth Route Army is still strong in those parts. Nevertheless, the local administration, though self-appointed, is completely free of all Communist influence. It calls itself the Provisional Border Government of Chahar, Suiyuan, Hopei and Shansi and is the offspring of the conference of district representatives that was held at Fuping in the summer of last year.

Flies Kuomintang Flag

It flies the Kuomintang flag and acknowledges the Chungking Government as its paramount head, with which it is in direct communication by radio. The local magistrates are appointed on much the same lines as before the war. The only important change that has been made is in the boundaries of districts and parishes which have been re-drawn so as to coincide with lines of communication, such as roads and mountain valleys. This has been done for military reasons, so that in case of a raid by the Japanese at least two areas are directly concerned in the measures of resistance and evacuation.

For the rest, the local administration is carried on much as before. The magistrates hold their courts as usual, deciding civil disputes and meting out punishment to criminals: the police keep order and collect taxes; the village schools, and in the larger towns schools for specialists, are functioning as usual, in which, needless to say, anti-Japanese—though not, as the Japanese would call it, Communist—propaganda forms an important part of the curriculum. The funds for all these activities are raised from three sources: firstly by a small land-tax, secondly—and this is something of an innovation—by a kind of income tax according to the financial standing of each family, and thirdly by import duties on goods brought in from the Japanese-controlled territory. For, strange as it may seem, a quite lively barter trade is carried on between the occupied and independent areas.

At one time the Japanese did attempt to enforce an economic blockade of the latter area, in the hope of starving it into submission. But, as was only to be expected, in view of the vast extent and the difficulty of the country, it proved impossible to enforce the blockade effectively. Moreover, it was extremely unpopular in their own lines, for most of the smuggling on the Japanese side was done by the horde of petty Japanese traders who follow the army. The currency in use in the unoccupied territory is the old National currency, it being an offence punishable by death to be in possession of Federal Reserve Bank notes or any kind of Japanese currency.

Experimenting With Reforms

The methods of administration of these districts, although no longer conducted on orthodox Kuomintang principles, have nothing in common with Communism. It would appear to be what one should call a radical form of government, which is experimenting with all kinds of reforms. Nor does the Eighth Route Army attempt in any way to interfere with the civil administration. On the contrary, in a few isolated instances, where extremists have tried to enforce Communist methods on the people, they have been severely punished by the leaders of the Eighth Route Army, who still publicly acknowledge the leadership of Gen. Chiang Kai-shek.

If one does occasionally come across in those parts portraits of Lenin and Stalin, nevertheless pictures of Chiang Kai-shek greatly predominate, while in most of the villages are to be seen propaganda posters of the Chungking Government. The Eighth Route Army confines its activities to military operations against the Japanese.

It will doubtless be realized that, owing to the poor state of communications, the population of the districts here described have always lived a more or less isolated existence, cut off from the main centres of Chinese civilization. The struggle to keep alive has been their sole preoccupation. The effects of the weather on their crops; floods, drought and locusts; the increase in taxation; the prices at fairs in the market towns; all that kind of thing has occupied their daily thoughts to the exclusion of the happenings in the world outside. Even in former days letters from Peiping and other of the larger cities used to take several days. Now that the regular postal service has ceased to function, they are more isolated than ever. For a time, a kind of local post-office was established, which even issued its own stamps, but, as it only served immediate local requirements, it was not worth while, and has been closed down.

Life As Before

In the early days, the main stream of the Japanese invasion passed these districts by without disturbing the peaceful tenor of their ways. It was heard of as a distant rumour of evil, much as they used to hear about far-off disasters, such as a flood in the central plains. Though the villages close to the Japanese border-line had all been evacuated by their inhabitants, with the exception of a few old men, those further away or on inaccessible mountain slopes remained untouched. In them life went on much as before.

Nowadays all that is changed. The Japanese terror is the main preoccupation of every man, woman and child. This is partly, though in a lesser degree, due to the direct effects of Japanese raids; but chiefly to the propagandist groups who tour the countryside, penetrating to the remotest villages, and lecture the people on the crimes of the Japanese and the necessity of resisting them to the bitter end.

Food Supplies Removed

When a Japanese raid is reported—and the Chinese always manage to obtain early warning—the villages along the expected line of their advance are evacuated, the inhabitants retiring high into the mountains. The greatest care is taken to remove all food supplies and fodder, and anything else that might be of aid to the invaders. In the course of time and experience, a regular technique has been evolved for these evacuations, which are carried out in accordance with definite fixed plans, drawn up long in advance and under the supervision of the local authorities.

There can be no doubt as to the efficacy of these methods; for the lack of supplies in the country in which they are operating forces the Japanese invaders either to carry all their supplies along with them or to drop units behind, as they advance, in order to keep open their line of communication with their base. All this either slows up the advance or stops it completely.

When, as often happens, the Japanese in exasperation at finding these deserted villages stripped of everything that could be of use to them, set fire to them, they do themselves more harm than good. For they thereby drive large numbers of able-bodied, but hitherto peace-loving, peasants to join the armed forces of the enemy. With their homes destroyed, these men have nowhere to go and are filled with a desire for revenge, so that they, too, take to arms, a thing they would otherwise never have dreamt of doing. The burning of villages by the Japanese is said to be the most effective method of recruiting for the guerilla forces.

Seemingly Poor Showing

Surprise has often been expressed at the seemingly poor showing made by guerilla warfare in north China, and specially as regards the destruction of the railway lines. This would appear to be due partly to the lack of organizing ability, inherent in the Chinese character, and partly to the lack of support by the Central Government in the way of explosives and munitions generally. One of the reasons given why the railways were often spared by the guerillas is typical of the whole nature of Sino-Japanese relations in those parts.

As the Japanese, presumably owing to shortage of man-power, lack sufficient troops to patrol the lines effectively, the little patrol work that is done is left to the Chinese levies that they have trained. As a result, the guerillas enjoy complete freedom of communication across the Peiping-Hankow Railway line, for instance, and thereby access from their mountain districts to the central plain of Hopei, and vice versa. They cross and recross the line at will. All they have to do is to give due notice of the time and their numbers to the nearest patrol of Chinese levies. And as the latter have not the slightest intention of risking their skins in fighting their own countrymen, they take care to keep at a discreet distance during the passage of the guerillas.

Curiously enough, the Japanese military authorities seem quite content with this state of things, of which they are fully aware. But it will be realized that it is a policy that cuts both ways. If it gives the guerillas a free passage across the line, it also gurantees a certain amount of security for the railway, which could otherwise only be ensured by increasing enormously the Japanese forces of occupation.

Process of Attrition

In these parts the so-called guerillas either form a direct part of the Eighth Route Army or are a semi-independent unit attached to it. The chief military idea of the leaders of that army is, what in the last Great War was called the process of attrition.

This, too, is almost the only way in which they are able to replenish their supplies of arms, munitions and clothing. And after some of the unsuccessful Japanese invasions, whole lorry-loads of arms and munitions have been captured. Whether their claims as to the results of this attrition policy are overestimated or not, it is certainly true that a steady stream of the fatal boxes with ashes continues to pass northwards over the Peiping-Hankow railway and out by sea to Japan.

Not many prisoners have been taken anywhere by either side in this war. But a few dozen Japanese prisoners are to be met with in some of the larger places on the mountain districts. Contrary to the Japanese atrocity stories, they are quite well treated by their captors of the Eighth Route Army, in fact exactly the same as the ordinary Chinese soldier. Their only punishment, if so it can be called, is that they are put through a course of anti-Imperialism and anti-aggression, which is meant to teach them the wickedness of the military party in Japan.

When their conversion is considered complete, they are sent back to the Japanese lines, generally in groups of a dozen or so, in the hope that they will spread the good news of their good treatment by their Chinese captors and the doctrine of anti-aggression among their fellow-soldiers. As the Japanese often court-martial their own returned prisoners, it seems doubtful how far such methods are effective as propaganda. Doubtless a certain amount leaks out about the favourable treatment of Japanese prisoners of war by the Chinese, whereas their own army punishes them on their return, which can scarcely be encouraging.

Morale Said Poorer

Anyhow, in Chinese circles the view is held that the morale of the Japanese soldier is nowadays much poorer than it was at the beginning of the war, and that they surrender much more readily than they used to do. This, even if true, may be due as much to the falling-off in the quality of the Japanese recruits as to the attempts to regenerate the Japanese prisoners of war.

The existence of these large blocks of unconquered territory, running parallel to, and often actually surrounding, Japanese-occupied areas, makes the military situation in north China one of complete stalemate. On the one hand, the Chinese, without an infinitely better organization and an infinitely larger and continuous supply of arms and ammunition, than at present, are quite powerless ever to drive back the Japanese invader. The latter, on the other hand, unless they double or even treble their present army of occupation and unless they can build a vast network of roads and railways in the mountain wilderness, cannot hope to subjugate those independent areas.

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DARK REFUGE
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Rovers' Ball Held In Masonic Hall

Function Proves Great Success; Funds For This Year's Work Raised

Last Friday the 7th Shanghai Rovers held their second annual ball at the Masonic Hall, and about 300 people attended to make the function a complete success.

A well patronized raffle also materially helped to increase the evening's success, when over 20 prizes were drawn for.

The young Rovers carried out their affair entirely without aid, and proved again their capacity for energetic organizing. In addition to a long selection of dances which carried the festivities from 8.30 to about 2 a.m., floor shows enlivened matters. The "Lei Kanes", a group of gifted amateurs, delighted the crowd with Hawaiian music; Messrs C. Kuh, H. Woo, D. Watson, J. King and B. Yoh were the performers. Bandsman Aitkin of the Seaforths, with the vibraphone and its trembling notes gained much applause. Messrs. Jack Mills and Stan Mesmer in "Dog Trouble" made no trouble at all, but, in fact, were much enjoyed by all. Last, but perhaps not least, was the show put up by the Rovers and their Ranger friends—an Eightsome Reel, in which the Rangers—Misses Marjorie Richardson, Sophie Katemopoulos, Dolores Vickers and Jessie Satoh, were partnered by Rovers Kliene, Memelsdorff, Wyatt and Knox. The Reel was piped by the popular Jimmy Forbes. The dance was enthusiastically received by all, particularly by the Scots guests.

A cold supper and a well conducted bar were managed by the S.V.C Club caterer to everyone's satisfaction, particularly as the liquid refreshments were very moderately priced. Dance music was supplied by Cliff Flook and his Orchestra.

Boy Scouts' Big Brothers

The Rovers, as no doubt many know, are the "big brothers" of the Boy Scouts—the Rangers being the "big sisters" to the Girl Guides—and it is most gratifying to those who understand the value of the Scout Movement to know that after leaving the Scouts these young men are still keen to carry on the good work. The 7th Shanghai Rovers were lately the only active Crew of Rovers in Shanghai, and a very nice tribute was paid them by Assistant Commissioner and District Rover Scout Leader Gordon. Friends and supporters of the Rovers will be gratified to learn that through the most generous response of those who attended the ball and bought raffle tickets, and the advertisers, not only will the Rovers' future activities for 1940 be financially assured, but in addition the Rovers will be able to donate a certain portion of their profits to various ot Scout or Guide groups, either in c or in kind.

The success of the Ball was main due to the energetic and cheeri efforts of Assistant Rover Sco Leader Paul Kaye, Rover Mate A. Kliene, Rover Second R. Wyatt, an Rovers S. C. Baylis, E. S. Jitts, R. J Jitts, E. Novgorodoff, J. B. Tata, E.A Weidman, R. Knox and R. Memels dorff, to whom hearty congratulation were extended by the Scouts' Assistant Commissioner.

Amongst those present were Assistant Commissioner Gordon, Mr. and Mrs. G. E. Marden, Assistant Commissioner Silvey, Messrs Inglis and Berents, Commander F. W. Crowther, Mrs. Crowther and Miss Crowther, who kindly consented to "pick the winners" for the raffle.

It is worthy of note that the Scout magazine "The Totem" is another of the 7th Rovers activities, they having managed this magazine for the past year.

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Pond's Cold Cream	per jar	$1.55
Daggett and Ramsdell's Cold Cream	per jar	$3.85
Palmolive Vanishing Cream	per jar	$1.40
Magnesia Cleaning Cream	per jar	$7.00
Ingram's Milkweed Cream	per jar	$5.25
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THE SPORTS PAGE

Season's Biggest Crowd See Lido Defeat Seaforths

Chinese Keep Record Spotless by Scoring One In Each Half to Win by Two-Nil

LIDO'S uninterrupted success in the First Division of the Shanghai Football Association League was stretched to seven when the crack Chinese, scoring a goal in each half, defeated the Seaforth Highlanders 2-nil at the Canidrome yesterday afternoon before the season's biggest crowd at a League match. The prospective winners of the 1939-1940 championship were superior in virtually every respect and kept the play in the soldiers' territory almost throughout the first period. Upon the resumption the game became quite even as the army team had the help of the wind and succeeded in sending the ball towards the Chinese goal. But Lido's defence was a stolid one. The half line and the two backs worked in unison and bottled up every one of the Seaforth forwards.

C. T. Tsao, the clever outside-left, was outstanding. Time after time he displayed unusual skill in carrying the ball past his opposing number. Sometimes he even beat both the half-back and full-back. Twice he kicked powerful shots which would have been goals had it not been for the fine goal-keeping of Atkinson. The army goalie saved at least three or four "certain" ones in the first half.

The following were the teams:—

LIDO:—T. U. Loh, N. Z. Lee, L. K. Chang, Z. H. Nyien, N. L. Meng, C. T. Tsao, K. S. Suen, K. H. Waung, V. K. Hyui, C. S. Woo.

SEAFORTHS:—Atkinson, Campbell, MacDonald, McShannon, McCusker, Smellie, Thompson, Duncan, Spiers, Gilmour, Ross.

Seaforths Robbed

The Seaforths kicked off against the western goal, but they were immediately robbed of the ball by the Chinese who lost no time to apply pressure. Waung handled the ball in the middle of the field for McCusker to send it into Lido's area. Loh was tested with a weak grounder from Duncan and from the clearance the ball went to the other end where Tsao, dribbling past MacDonald, drove over the cross-bar from an acute angle.

Hyui missed a "sitter" in the 7th minute as he shot straight to the goalie from point-blank range without being marked at all. Atkinson brought off a nice catch a few minutes later on a high lob from Woo. The ball dropped right in the goal-mouth, but the goalie managed to grab it out of the air before Waung could head it.

Hyui and Suen each shot erratically during a persistent attack. The Seaforth defenders had their hands full and it was only the fine display of Atkinson and the weak shooting of the Chinese that kept the slate clean.

Atkinson's Grand Save

Tsao almost scored in the 20th minute. He beat both Smellie and MacDonald and then took a powerful kick. The ball boomed towards the extreme top corner of the net, but here Atkinson made a grand save by stretching himself and pushing the leather away at the expense of a fruitless corner.

Suen made a fine solo effort, dribbling past both Smellie and McCusker, but the veteran inside-left put over the cross-bar from a good angle within 16 yards of the goal. In the 28th minute Lido broke into the scoring column. The play started as Tsao beat MacDonald and centred. Campbell, in an attempt to clear, kicked badly and the ball went over the touch line for a corner. Woo dropped a good one in the goal-mouth for Waung to head it against the far post where it bounced into the net way out of the goalie's reach.

Tsao continued to delight the crowd with brilliant runs. He passed both Smellie and MacDonald quite frequently and crossed over lovely ones. Hyui was missing the shots badly. Towards the close of the session Tsao tried another raking drive at point-blank only to see the shot miraculously saved by Atkinson, who pushed over in the nick of time for another abortive corner.

Forwards Bottled Up

The second half saw closer play as the Seaforths succeeded in testing Loh with some long range shots. The five army forwards were not allowed any freedom when they came near the back area, the Lido backs working like Trojans to break up every attack.

Good play on the part of Nyien in the 34th minute gave Waung possession of the ball. The latter passed on to Hyui, who trapped it and tried a split-second shot that had Atkinson beaten all the way to give Lido a 2-goal lead.

During the closing minutes Suen could have increased the margin but he ballooned in two instances with only the goalie to beat.

Strong Recs Team Beaten by A.S.F.

Mild Sensation Caused At Race Course; Even Play All the Way

Playing without Boissezon and Roboostoff, the A.S.F. created a mild sensation at the Race Course yesterday when they defeated a powerful S.R.C. side by the odd goal in seven. Play was fairly even but the A.S.F. forwards proved better opportunists. The S.R.C. fielded one of their strongest elevens, with Symons re-appearing in the forward line and although he worked hard, the other forwards were far below their usual standard. The A.S.F. scored twice in the first half, the first goal coming within the first five minutes. The Recs reduced the score to two-one within a minute of the second goal. The second half was even both in play and goals. Bossuet and Segalen produced excellent football and the latter was responsible for the A.S.F's last two goals. The half-backs covered the opposing forwards well, Jesu being the most prominent both in defence and attack, while Jimmy Ward as right back saved his goal time and again from falling.

A.S.F.:—Wolfin, J. Ward, Tessier, Savine, Pecquery, Jesu, Sbath, Segalen, Bossuet, Yurieff, Mihailoff.

S.R.C.:—Katz, Madar, Mingozzi, Jack, Bulldeath, Openheim, Aldeguer, Kapustin, England, Symons, Favacho.

A.S.F. Score First

The A.S.F. in the fifth minute went through to score when Segalen shot at the goal. The ball rebounded to Mihailoff and the winger passed to Yurieff for the inside man to score with a grounder through a forest of legs leaving Katz helpless. The Recs attacked and Wolfin tipped over a beauty from Kapustin. A minute later Symons passed to Aldeguer, but the winger stopped the ball and allowed Ward to clear. Jack fouled Sbath and the winger took the shot to see Mihailoff balloon.

The ball was returned to the S.R.C. territory and Sbath passed to Mihailoff. The winger took the ball on the run and put the French two up with a drive into the right low corner of the net.

The S.R.C. reduced the arrears exactly a minute later when Aldeguer went through single handed when he received the ball from Jack. The winger beat Savine and Ward and gave the goalie no chance to save. In one of the S.R.C. raids, Tessier fouled Favacho just outside the penalty area and the ensuing shot caused a melee in front of the French goal which was finally stopped when Aldeguer put the ball out of play.

The second half started with the Recs attacking, but Favacho handled when he and England were a few feet from the French goal. Bossuet shot twice in the next moment. The first shot went wide while the second was saved by Katz. Sbath a minute later finished a beautiful run with a shot into the outside of the net.

Ward Saves Situation

The ball went to England and the centre-forward was on the point of scoring when Ward kicked the ball away from under his feet. A moment later, however, Bossuet passed to Segalen, who beat Jack and gave the goalie no chance to save with a shot into the right corner of the net.

The play was kept in the midfield for the next twenty minutes when Segalen repeated his previous performance on receiving the ball from Mihailoff. The inside right beat Madar and put the French 4-1 ahead. From the centre the Recs worked through the French half-backs and Aldeguer passed to Symons to reduce the arrears. The ball went from one side to the other and Mingozzi gave away a corner in his effort to stop Sbath. The ball was cleared by Bulldeath and England received a pass from Favacho, but was robbed by Tessier. The latter was hurt and took the outside left berth, while Mihailoff went to left half and Jesu dropped back. The Recs decreased the margin to 4-3 when Kapustin received a pass from Symons and although Wolfin dived, it was too late.

Soccer Results Here

The results of football games played in Shanghai during the past two days were as follows:

RESERVE DIVISION
Lido 1, S.R.C. 0 (W.O.)
A.S.F. 4, Lusitano 0
S.F.X. 4, Police 0

FIRST DIVISION
Lido 2, Seaforths 0
A.S.F. 4, S.R.C. 3
P.T.H. 5, Lusitano 2

SECOND DIVISION
Area Details 3, Russ. Regiment 0

THIRD DIVISION
Russian Club 3, Old Westonians 0
Aurora 4, Tung Wen 0

English Football Results

London, Jan. 1.

Results of Divisional League matches played today are:

SOUTH A
Charlton 2, Arsenal 6

SOUTH B
Queen's Park Rangers 3, Reading 0

EAST MIDLAND
Doncaster 1, Sheffield United 2

WESTERN
Liverpool 7, Crew 3

FRIENDLIES
Blackburn 4, Huddersfield 2
Barnsley 5, Sheffield Wednesday 0
Bolton 3, Preston 1
Bury 3, Bradford 3
Darlington 3, Leeds 1
Carlisle 2, Bradford City 2
Middlesbrough 5, Newcastle 2
Manchester U. 1, Blackpool 4
New Brighton 6, Accrington 0
Southport 2, Everton 2
Manchester City 7, Stockport 2
Chesterfield 7, Leicester 2

SCOTTISH WESTERN
Airdrieonians 1, Albion Rovers 4
Ayr United 3, Queen Of South 1
Rangers 1, Celtic 1
Dumbarton 3, Morton 2
Motherwell 1, Hamilton Acads. 1
Patrick Thistle 3, Clyde 2
St. Mirren 3, Kilmarnock 3
Queen's Park 4, Third Lanark 2

SCOTTISH EASTERN
Allon 3, Stenhousemuir 1
Arbroath 2, Aberdeen 1
Dundee United 2, Dundee 1
Dunfermline 3, Cowdenbeath 0
Falkirk 4, St. Johnstone 0
Hibernian 5, Hearts 6
Raith Rovers 2, East Fife 5
St. Bernards v. King's Park postponed.

—Reuter.

British Army Meet Marines Saturday

The following is the schedule of rugby fixtures for the coming week-end:—

SATURDAY:—2.30 p.m. Club "A" XV v. British Army 2nd XV. Referee: D. W. Leach; 3 p.m. British Army 1st XV v. Marines 1st XV. Referee: E. McLaren.

SUNDAY:—3 p.m. Club "B" XV v. A Japanese Civilian XV. Referee: R. D. K. Silby.

Club Teams

CLUB "A" XV:—J. L. R. Mair, I. H. Kendall, B. R. Brown, R. S. L. Frewen, W. P. Hetherington, L. R. St. Louis, B. A. St. Louis, W. D. Pearson, R. U. Reynolds, R. A. O. Mayne, P. B. Tay, J. W. Chapman, S. A. Wallace, W. J. B. Carter and G. H. Reynolds.

CLUB "B" XV:—W. N. Dickson, J. W. M. Martin, A. P. D. Kennedy, A. Thomas, S. J. Ward, I. F. Aucott, R. Dickinson, D. M. Wheeler, W. V. K. Chadwick, J. R. Blaikie, J. D. Sayle, M. O. Liddell, C. H. Hodgman, F. March and R. V. Stapleton-Cotton.

Reserves for both teams:—W. K. Corneck, G. L. Hinds, J. R. Harling, R. J. Lucas, R. G. Sayle, L. S. Tomashevsky and E. P. Morphew.

Any player unable to turn out is requested to inform Mr. W. D. Pearson (11430) not later than 5 p.m. Friday, so that other arrangements may be made.

"N.C.D.N." Photo.

Brilliant Saving by Atkinson

It was thanks to grand work by the Seaforths' goalie, Atkinson, that the margin was not bigger in yesterday's match which Lido won 2-0. Left to right: Campbell, K. H. Waung, Atkinson (punching out).

Scottish XV Beat England

English Side Play with Only 14 Men Throughout; All Nineteen Points Come in Last Half

ON a well-watered pitch at the Race Course yesterday afternoon, Scotland, in the first rugby international of the current season, easily defeated their English rivals who, fielding a greatly weakened fifteen, were thoroughly outclassed in the second half. The Scots scored all their points in the latter session and won by nineteen points (two goals and three tries) to nil. For some unknown reason England fielded but fourteen men throughout the game and played only seven forwards against the lively Scottish pack, the lack of one player eventually making itself felt in disastrous fashion.

In the first half, the Southerners, surprisingly enough, more than held their own and with a little more luck or better handling, should have been at least ten points ahead, but dropped passes told the tale. After the interval, Scotland did just as they pleased and with the Sassenachs' defence crumbling like dust under the continued pressure, the outcome was never in doubt.

The entire Scottish XV played exceptionally well with the forwards taking the honours. They secured the ball in tight and loose with regularity to put their backs away on their dangerous movements and though the Scots were hard pressed in the earlier stages, they rallied perfectly under the capable leadership of Maclagan.

Knowles, hooking for the Scots, had by far the better of Reynolds in set scrums and was able to get the ball back cleanly seven times out of ten. The Scottish forwards did everything asked of them and their foot rushes always spelt danger.

R. D. Maclagan played a splendid game at scrum-half for the winners and served his backs with well-timed passes. He has not been seen to better advantage and on yesterday's display can now be reckoned as the best player in his position in Shanghai.

Scots Show Snap

All the Scottish threes gave good exhibitions, their efforts being laced with a decided snap that smashed one hole after enough in the Southerners' defence. Dickson proved safe at full-back though his kicking was not quite up to its usually high standard.

England, fielding six reserves, and playing one short throughout, put up a splendid fight but in the face of one series of onslaughts after another failed in the second half. R. U. Reynolds and Pearson were the pick of a beaten pack, but it was among the outsides that the game was lost. Apart from Martin, who turned in a sound game, and Killingbeck, the defensive play of the backs was poor, dummies galore being bought with terrible results.

Ward and Faulkner, on the right wing, did not combine well and the winger failed to utilize a number of scoring opportunities that came his way.

SCOTLAND:—W. N. Dickson, J. L. R. Mair, Pte. Alexander, Pte. Maclean, Pte. Cowan, Pte. Rainey, Lieut. R. D. Maclagan, M. O. Liddell, L/Col. Crow, D. M. Wheeler, Lieut. I. A. Maclagan, Sgt. Ainslie, L/Cpl. Knowles, Lieut. G. C. E. Crew and J. L. Blaikie.

ENGLAND:—J. D. Killingbeck, J. W. M. Martin, A. P. D. Kennedy, S. J. Ward, Pte. Faulkner, A. Thomas, R. Dickinson, G. H. Reynolds, R. U. Reynolds, Sgt. Grainger, W. D. Pearson, J. D. Sayle, Pte. Searles, P. B. Tay.

Referee: Mr. E. McLaren.

England Kick Off

England kicked off with the sun behind them and with the forwards following up well were quickly battering at the Scottish line. Several good passing movements then took the eye but twice early on, Ward, when well-placed, failed to gather the ball when tries seemed imminent. The Southerners had all the better of the game for the first fifteen minutes and Martin was almost through at this period of the proceedings, but the winger was hurled into touch by the burly Dickson with a valiant effort when the Englishman was diving for the corner flag.

The Scots then came into their own and taking the ball at their feet, their forwards gained nearly seventy yards in a series of well executed rushes. Killingbeck went down to the movement and put a stop to the threat and a moment later Pearson, employing similar tactics to the Scots, led his own forwards in a fine move which returned play to the Scottish 25.

The Scots' forwards now began to make their extra weight felt and getting the ball back regularly, put their outsides away on a good movement that was only halted on the English line. Here a long maul occurred, but offside spoiled the Scottish threat.

The interval arrived with England pressing deep in their rivals 25.

Immediately upon the resumption, a bout of reverse passes nearly let the Scots in and within a minute, Maclean went over near the posts after a short burst, in which Ward should have grassed him. Dickson kicked the goal to place the Scots five points to the good.

The Highlanders maintained terrific pressure and the writing was now on the wall. Within another five minutes Rainey side-stepped his way through the defence to ground the ball under the posts after a short passing movement. Dickson unaccountably failed.

England then took a hand and Ward should have been over, but he was downed and the threat died out. The Scots resumed the attack and with Rainey intercepting a pass intended for the Scottish centre-three, the stand-off ran full tilt through a harassed defence to score under the posts after a thirty yards dash. One good tackle would have swept him off his feet, but the English outsides never tried to down him though they were within arms length of the scorer. Crow failed with the kick.

Six minutes later, after Scotland had had matters all their own way, Cowan went over for an easy try following a relentless battering of the English line by the Scottish forwards. Crow's kick was perfect.

A few seconds later Scotland scored again, Rainey selling two dummies and handing the ball to Alexander on the line for the inside to calmly place the ball between the posts. Dickson again failed.

Exciting Victory for Cathedral School

Chefoo School Beaten by 4-1 in Soccer Match

One of this season's most exciting school football matches was played on January 1 when the boys of Chefoo School lost to the Cathedral School XI by 4 goals to 1 on the Keswick Road ground. The Chefoo boys only had five of their first eleven players, but they nevertheless put a strong team into the field and narrowly missed scoring several times. The play constantly went from one end of the field to the other and aroused much enthusiasm in the large crowd of spectators.

For the Cathedral School, Harvey was outstanding at centre half, scoring one superb goal with a rising kick from way out. Middleton in goal played an excellent game, saving many difficult shots, as also did Leach, the Chefoo goal-keeper. The Cathedral School forwards were on the whole rather weak in the attack, though they showed some good movements, with Fraser scoring two goals from the wing, and Baukham one from the centre; the two St. Louis brothers also showed up well in the play.

The Chefoo team played a good game in the attack, Duguid scoring one goal from the centre. Hayman and Slade also played good games, while their smallest player Bruce should be mentioned for his courageous tackling; Hughes at full back played a fine defensive game.

C.S.:—Gilbert, Dodd, Middleton, Fraser, St. Louis i, St. Louis ii, Huxley, Baukham, Thorbecke, Wills, Harvey.

C.I.M.:—Leach, Watton, Huges, Pearson, Hayman, Stearns, Slade, White, Duguid, Quimby, Bruce.

Hockey Club Rally Downs United

Winners Come from Behind After Being on Short End At Half Time

Rallying in the second half, the Shanghai Hockey Club beat the United Hockey Club by 4-2 at the Race Course yesterday afternoon. The S.H.C. trailed at half-time by the odd goal in three but came back to score three shots in consecutive order and run out winners.

The United opened scoring in the 10th minute through Karanjia from a shot from the edge of the circle. Seven minutes afterwards Innes equalized for the Club, following a series of fine passes between Cole, Pote-Hunt and the scorer himself. With the score tied, both sides put on more energy and the pace of the game was extremely fast. In the 25th minute Karanjia broke away to net a beautiful one-hand shot and regain the lead.

Upon the resumption the two teams defended closely and the forwards on either side were given no chance to increase the score. The Club team fought with greater vigour and had slightly the better of the play. It was in the 21st minute that Cole tied the score for the second time with a fast shot, after receiving help from Pote-Hunt.

Five minutes later the Club forged ahead when Kendall, changing positions with Innes, cut in from the flank and beat Jones with a hard drive. From then onwards the Club kept on attacking and the way they played indicated that the United goal would fall once more at any minute. Shortly before the end, Pote-Hunt drove a high shot into the top corner of the goal as a result of another piece of fine teamplay among the inside forwards.

The teams were:—

S.H.C.:—W. J. Silvey, J. S. Kenyon, H. A. Crickmer, D. S. Harley, M. W. Turner, I. H. Bradford, I. H. Kendal, P. J. A. Innes, J. R. Cole, J. W. Pote-Hunt, R. J. Parsons.

UNITED:—J. P. Jones, S. A. Collaco, K. M. Pate, Willis, F. R. Kermani, E. V. Chanturai, R. C. Veir, R. C. Murray, S. P. Karanjia, H. Waldman, Hetherington.

American Football Results

ROSE BOWL
Southern Calif. 14, Tennessee 0

SUN BOWL
Arizona State 0, Catholic Univ. 0

COTTON BOWL
Clemson 6, Boston College 3

SUGAR BOWL
Texas Aggies 14, Tulane 13

ORANGE BOWL
Georgia Tech 21, Missouri 7

EAST-WEST IN SAN FRANCISCO
West 28, East 11.—United Press.

Cochran Scores 5 Goals for P.T.H.

School Win Over Clube After Being Two Points Behind in First Half

The P.T.H. eleven played a second good game in a space of three days when they took the measure of Clube Lusitano at the Race Course yesterday afternoon by 5-2. The School attacked for the major portion of the contest and fairly deserved to emerge victors.

Lusitano played without the services of L. Marcal, the veteran full-back, but that did not prevent the team from taking a 2-goal lead within the first fifteen minutes during which Vasko Souza and Luigi Souza gained one point each. The School fought back and thanks to the brilliant footwork of Huff Cochran, who netted all five P.T.H. goals, the tide of battle was turned in the second half. Cochran's first goal was from a penalty kick.

The teams were:—

P.T.H.:—Schneirson, Logan, Turner, Tivonuik, Leriou, Caro, Collaco, Kidby, Cochran, Passikides, Novgorodoff.

LUSITANO:—M. Souza, A. Aquino, C. Remedios, L. Oliveira, A. S. da Costa, E. G. da Silva, J. Rozario, H. C. Collaco, V. Souza, L. Rozario, H. Lubeck.

Lusitano Begin Well

From the kick-off the Portuguese were quick to settle down. The forward line worked well together and frequently caught the School defence spread-eagled. Some ten minutes after the start Rozario, combining with Souza, carried the leather upfield and after eluding the full-backs crashed in a grounder from fifteen yards out to upset the goalie.

Less than five minutes later the Clube attack again brought results. Souza, having received a pass from H. Collaco, the keyman in the front row, was tackled by Logan, who badly miskicked the ball in an attempt to clear. The centre-forward dashed towards the goal and had Schneirson beaten.

Thing looked bad for the ultimate winners, who were pinned to their rear lines. The School goal was saved twice. Logan was the first to prevent a certain one when he tackled Rozario in the nick of time in the goal-mouth and later on Schneirson dived at Souza's feet to stop a hard grounder.

Late in the half Cochran was fouled by Costa within the back area. The School centre-forward took the 12-yard kick and easily converted. A few minutes later, Kidby tried a shot across the goal-mouth. Souza pushed it aside but the leather hit the post and bounced back for Cochran to tie the score at 2-all.

After the rest period the School team took a new lease on life. The Portuguese territory was swarmed with raiders and most of the play in that remaining period was confined to the Clube side. Cochran starred in his fine shooting, netting three in a row to win comfortably.

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ADDED: News of the Day

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Three Handicaps for Griffins of 1939,
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Special Season Guests' Admission Tickets $10 each. For Single Day $5 each. Entrance for Holders of these Tickets, Archway Entrance, 304 Mohawk Road. These Tickets give admission to Members' Sections of Grand Stand and Pari-Mutuels, etc.

Entrance for Public, 304A Mohawk Road, Admission $1 each per day.

Men in uniform admitted free

CASH SWEEP TICKETS

All through Chances for Sweeps on each Race Day at $20 each.

Tickets for the Special Sweep on the New Year Grand Handicap on the Lines of the Champions Sweepstakes, New Year Race Meeting, January 6, 1940, are now obtainable. $10 each Ticket of Eleven Sections, Single Sections $1 each. 10% OF THE GROSS SWEEP WILL BE DONATED TO CHARITY.

For further information regarding Sweeps apply to

A. W. OLSEN, 304 Mohawk Road.

Vim Wins Despite Big Penalty

Beats Bachelor Prince by Small Margin in Final Yards; Un Un Un Fulfils Expectations

By "The Chaser"

THE opening day of the three-day New Year Race Meeting was marked by favourites and well fancied ponies running true to form and punters, on the whole, had an excellent day. The most notable victory of the day was that of Vim who, with Gram in the saddle, ran a magnificent race to win the Ard Patrick Handicap while carrying a twelve-pound penalty. Bachelor Prince gave him a good run all the way and was only beaten by the small margin of three quarters of a length while Mr. Bubbins filled third place a neck away. Fairylight, the second favourite in the race, was fourth just losing a place by a head.

This was perhaps the best race of the day as at the last furlong six ponies were strung out across the course racing neck to neck and it was anyone's race until Vim spurted in the last few yards to take the lead. Among the six were Primroseray and Dazara. The Avocet could only last half a mile of the eleven-furlong race, leading for the first half mile and then tiring quickly to drop right out of the running. National Sport did better and lasted for a mile before dropping back to join The Avocet. Mr. Bubbins and Fairylight led the field from the half mile post where Vim was still lying well behind with Bachelor Prince slightly ahead of him. Mr. Bubbins, Fairylight and Primroseray entered the straight together but were soon joined by Dazara who was closely followed by Vim and Bachelor Prince. At the last furlong the six were running in a line but Dazara tired opposite the stands while the remaining five fought out the finish.

Moller and Chen Poo

C. B. Moller and Chen Poo were the leading riders of the day as each rode two winners. The latter came off slightly better by placing once.

The only upset, a minor one, of the day was scored by Marble Hall who won the Ormonde Handicap by a length beating another outsider in Hill Song while Haiphong filled the remaining berth two lengths away. The two favourite, Daintylight and Danbury, were very disappointing and were not in the picture at the finish. The former after leading by several lengths shot his bolt opposite the stands and was easily passed by the winners. The latter ran an indifferent race to disappoint his six hundred odd backers.

The novices' race fell to the well-known Portuguese thruster, F. X. Diniz, who rode a good race on Josspray to defeat the favourite, Merry Christmas while four lengths behind was Tiddly Winks, third. Buffalo and Josspray dashed away to an early lead and soon held an advantage of more than twenty lengths. Buffalo tired at the Monument while Josspray carried on to enter the straight with the same margin to spare and was not seriously challenged until the last fifty yards where Merry Christmas, on whom T. C. Woo rode a poor race, came with a burst of speed which all but overtook the winner, losing by two lengths. Chen Poo rode a good race on Hongkong Beauty (now Beautiful Hall) to win the Cicero handicap from Merry Admiral and Vigour while the favourite, Doc, fought a losing battle for the third place with Vigour. Mistylight went out to set the pace for Wintrylight and led all the way until the last quarter where the winners passed him.

The first raging favourite to win was Spring Tide who was fully extended by Army Patrol before flashing past the post first by a neck. Josspray ran his second race of the day here and did very well indeed to take third place by half a length after leading all the way.

Un Un Un was another winner who returned under $10 for win. He was well supported in the paris and fully filled public expectations by winning in good style from Allway and Black Pirate.

1.—THE SUNSTAR HANDICAP. 7 furlongs.
Josspray (M. K.) 160 F. X. Diniz 1
Merry Christmas (C. S. Mao) 159 T. C. Woo 2
Tiddly Winks (Manx) 148 V. A. Haimovitch 3

Also ran:—Buffalo (L. Y. Liu), Ardeer (E. J. Bell), National Ally (J. C. Liang), Fruitylight (A. H. Laidlaw), Rigoletto (S. Wong).
Won by 2 lengths; 4 lengths.
Time, 1.52⅘ sec.
Forecast Pool Race No. H11. Winning Combination 5/4. Dividend $54.20.
Win, $33.60. Places, $9, $6.20, $10.60.

2.—THE MANNA STAKES. 7 furlongs.
Goldenlight (Cire) 157 C. B. Moller 1
Romford (Jewell) 155 R. D. Parkin 2
Little Pal (Eden) 157 M. H. Feeney 3

Also ran:—Zealous Chap late Man O'Zeal (V. L. Xavier), Grey Snake (Chen Poo), Sky Raider (Gabor Renner), Cherrybey (R. H. Robertson), Night Raider (F. Noodt).
Won by 3 lengths; 1 length.
Time, 1.51⅗ sec.
Forecast Pool Race No. I11. Winning Combination 3/1. Dividend $57.60.
Win, $20. Places, $5.20, $5.60, $5.20.

3.—THE ORMONDE HANDICAP. 7 furlongs.
Marble Hall (Hall) 150 Chen Poo 1
Hill Song (Oldham) 147 E. B. Cumine 2
Haiphong (Durgor) 153 G. P. Gram 3

Also ran:—Danbury (A. C. Ching), Grumpy (Gabor Renner), Happy Fighter (H. M. Botelho), Daintylight (C. B. Moller), Neptune (R. D. Parkin), Lord Lister (S. A. Judah), Faust (V. L. Xavier), Tar Heel (F. X. Diniz), Citylight (F. Noodt).
Sweep: (1) 383, (2) 1019, (3) 145.
Unplaced: 487, 1042, 63, 312, 666, 621, 1076, 36, 253.
Won by 1 length; 2 lengths.
Time, 1.49⅘ sec.
Win, $37.40. Places, $21.40, $19.60, $14.20.

4.—THE SPEARMINT HANDICAP. 1¼ mile.
Spring Tide (Spray) 161 Gabor Renner 1
Army Patrol (H. C. Cheng) 145 Chen Poo 2
Josspray (M. K.) 152 T. C. Woo 3

Also ran:—Ujadaire (John H. Zia), Roslin (S. L. Sung), The Sketch (F. Noodt), Chancery Lane late Jalousie (G. Pollock).
Sweep: (1) 1002, (2) 690, (3) 384.
Unplaced: 660, 1108, 512, 262.
Won by a neck; ½ length.
Time, 2.46⅘ sec.
Forecast Pool Race No. J11. Winning Combination 1/2. Dividend $27.20.
Win, $7.40. Places, $5.80, $8.20, $11.

5.—THE PERSIMMON STAKES. 1¼ mile.
Downside (A. H. George) 155 M. H. Feeney 1
Sandy (H.) 152 Gabor Renner 2
Hawaii Clipper (San Hsin) 155 S. Y. Sung 3

Also ran:—Blenheim (V. A. Haimovitch), Elopement (P. Y. Vong), Runninglight (John H. Zia), Pearlylight (C. B. Moller).
Sweep: (1) 586, (2) 488, (3) 69.
Unplaced: 452, 543, 169, 44.
Won by a neck; ¾ length.
Time, 2.54⅕ sec.
Forecast Pool Race A12. Winning Combination 1/6. Dividend $41.
Win, $16.80. Places, $5.40, $5.40, $5.60.

6.—THE MINORU STAKES. 7 furlongs.
Libertylight (Cire) 160 C. B. Moller 1
Rigodon (G. J. Mary) 155 J. Pote-Hunt 2
Fairy Jackdaw (R. H. McNair) 152 Gabor Renner 3

Also ran:—Ancient Temple (Y. S. Chang), Fairy Starling (G. P. Gram), Loch Mhor (S. L. Sung), Crispylight (F. Noodt), Beautylight (S. Y. Sung), Lucky Stone (Chen Poo), Glen Raider (A. V. Striker), Smart Guy late The Midget (A. Noodt), Phantom (F. Marshall), Hangchow (P. Y. Vong), Plainsman (E. B. Cumine), Flying High Non-Starter, Airplaine (M. H. Feeney), The Swan (I. H. Howell).
Sweep: (1) 256, (2) 105, (3) 460.
Unplaced: 21, 283, 558, 1095, 423, 178, 452, 1131, 239, 1061, 114, 677, 1017.
Won by 1½ length; ½ length.
Time, 1.48⅕ sec.
Win, $34. Places, $12.40, $8.80, $10.20.

7.—THE OREY STAKES. 1¼ mile.
Un-Un-Un (G. J. Mary) 157 J. Pote-Hunt 1
Allway (Wise Co.) 160 Y. S. Chang 2
Black Pirate (Ovio) 155 V. L. Xavier 3

Also ran:—Ebonylight (C. B. Moller), Goldenray (T. C. Woo), Central Park (A. C. Ching), China Clipper (S. Y. Sung), National Union (Chen Poo), Port St. Mary (A. Noodt), Ideal King (E. B. Cumine).
Sweep: (1) 1222, (2) 475, (3) 1186.
Unplaced: 421, 1078, 635, 142, 267, 334, 38.
Won by 1½ length; 1 length.
Time, 2.43⅘ sec.
Win, $9.80. Places, $5.60, $7.80, $6.

8.—THE CICERO HANDICAP. 9 furlongs.
Beautiful Hall late Hongkong Beauty (Hall) 156 Chen Poo 1
Merry Admiral (C. S. Mao) 152 F. Marshall 2
Vigour (Vitality) 156 P. Y. Vong 3

Also ran:—Doc (G. P. Gram), Wintrylight (C. B. Moller), Mistylight (F. Noodt), Red Ike (T. C. Woo), Clunieburn (A. V. Striker).
Sweep: (1) 299, (2) 474, (3) 649.
Unplaced: 487, 182, 1042, 336, 622.
Won by 1 length; ½ length.
Time, 2.24 sec.
Forecast Pool Race No. B12. Winning Combination 4/5. Dividend $162.80.
Win, $28.80. Places, $12.40, $10.60, $34.20.

9.—THE ARD PATRICK HANDICAP. 11 furlongs.
Vim (Vitality) 167 G. P. Gram 1
Bachelor Prince (Jim) 160 S. A. Judah 2
Mr. Bubbins (H.) 159 Gabor Renner 3

Also ran:—Fairylight (C. B. Moller), Mr. Chips (F. Noodt), Dazara (R. D. Parkin), National Sport (Chen Poo), The Avocet (A. C. Ching), Primroseray (A. Noodt).
Sweep: (1) 391, (2) 386, (3) 124.
Unplaced: 182, 79, 565, 638, 1207, 632.
Won by ¾ length; a neck.
Time, 3.01 sec.
Forecast Pool Race No. K8. Winning Combination 8/5. Dividend $82.
Win, $14. Places, $7.20, $8.40, $8.40.

Tail-Wagger Chats

By Philokuon

By one of those strange paradoxes that sometimes arise to the bewilderment of ordinary folk the Tail-Waggers' Club is receiving an unprecedented number of requests for companion dogs. A few weeks ago dogs were being sacrified; now we have to record that never before have we had so many letters asking us if we know of people who wish to find good homes for their spare dogs. One of the services rendered by the Club is known as the "Dogs and Homes Wanted Register." Nature abhors a vacuum. When a household loses its dog it is sure to want another to fill the place left vacant, or it may be that someone who has never had a canine friend before comes to the conclusion that he or she would like one. Perhaps they are not too well endowed with this world's goods, and it means much to them if they can get one given to them or sold for a small sum.

In other homes there are surplus dogs which the owners would rather give away than sell if they were assured that they would go where they would be well looked after and made real friends. The Club acts as a go-between. We are a bit puzzled, however, to account for the sudden demand that has sprung up. Perhaps two explanations are more feasible than others. Large numbers of women are spending lonely lives while their menkind are away fighting for their country. Feeling the need of companionship, they turn to the animal that gives this without stint and at the same time acts as guard to their person and home. Having heard of the activities of the Tail-Waggers' Club, they come to us in their difficulty.

There may be another reason. Hundreds who got rid of their pets in the first hectic week have since deplored their precipitancy, remembering the old proverb about doing things in haste. Having had time to take a saner outlook, they have decided that they must have another dog.

American Friends

The Tail-Waggers' Club has friends all over the world. A lady from far away Ohio, whose dog has become the first American Centurion, writes: "Thank you so much for writing to me in these times when I know your heart and hands are so full of care. I think of dear England—to me the most beautiful country in the world—and hope that all will be well with you. Please tell me if I can help the poor animals in any way; they are very near my heart." That is one of the advantages of having interests in common—we are able to meet and know people who would never have crossed our path otherwise. It is surprising to hear of the many Americans who have sent letters of sympathy and encouragement to doggy friends in this country. I have received a number myself. Some of them are still buying British dogs, and others are considering a scheme for extending hospitality to dogs of valuable strains so that we may be able to resume breeding later on.

LYCEUM THEATRE
January 17, 1940, at 9.15
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New Year Hunt to Krikoriantz

Miss Yvonne Pollock 2nd On Card; Zig Zag Proves Mighty Hazard

By "The Chaser"

The New Year's hunt, the sixth of the season, was laid in the Minghong district by Mr. T. G. Drakeford and resulted in another win for N. I. Krikoriantz who annexed both light and heavyweight prizes as he was the first on the card. Miss Yvonne Pollock qualified Colorado Kid for the Challenge Cup when she followed Krikoriantz home on the first "Y" finishing second.

The wonderful weather brought out a large number of spectators but the dust that rose when the riders passed them had them rubbing their eyes much too often for pleasure.

Zig Zag brought down a surprising number of riders and among those who came down for a daisy were Chester Fritz, Eric Moller and Morrey Marcus. Fritz's pony stepped off a path and crashed into Zig Zag while Eric Moller's pony jumped short and sent his rider for a loop. Morrey Marcus and his mount appeared to have a difference of opinion at Zig Zag and although the former had his way it was not before the latter had his say and quite a violent say too.

The hunt started from Green Paper, north of Burnham Wood, and not as announced on the flats near Ah Pao's finish. The course included plenty of good galloping country and some good sized natural jumps were laid. Chris Moller took the trouble to take a whole line of jumps and thought he was leading the hunt. Imagine his dismay when he found that he had taken a line of jumps that were not laid and the hunt was going in a opposite direction.

The Course

The Start was officially on the Flats near Ah Pao's Finish but the Master was requested to take the Hunt along the road to Green Paper which was just North of Burnham Wood. From there the Hunt ran to the Wade near the Cocktails then running west along an un-named line of jumps towards Mik Ka Loong Wade. The trail then ran south by two bridges to the Cocktail Wade. A check there eventually led to a Wade leading to Turks Head Line across Cluh Ka Hong Creek at Twin Jess Houses, over Drakeford's Dive to double wade to Winding Creek Line. Check. Then via Grayrigge's Delight across the road to Fourth Bridge Line; via Hidden Dry Cut to Chien Liang Miao (Big Tree Temple) across the road to Gulland Bridge. Thence to Cocktails and Mrs. Blix's Wade in Wu Ka Cha and south of Burnham Wood to the Road. Then over Second Bridge and west over the railway to Damnation Wade and from there via Eureka Passage over Zig Zag to finish at Fash's Finish.

The Card

1. N. Krikoriantz on Hung Mah (Z)
2. Miss Y. Pollock on Colorado Kid (Y)
3. F. Kauffmann on Busted Flush (Y)
4. C. D. Culbertson on Hannibal (Z)
5. N. F. Allmann on Bull-Run (Z)
6. Mme. Cattand on Dobbin (Z)

Great Victory for U.S.C. in Rose Bowl

Los Angeles, Jan. 1.

Southern California's mighty Trojans crushed Tennessee's highly-touted forward wall defences to score a smashing 14 to 0 victory in the annual Rose Bowl New Year's Day classic today. Unbeaten and untied and with her goal line uncrossed during ten consecutive games last autumn, the Tennessee Volunteers were outclassed from start to finish. The co-champions of the Pacific Coast Conference smashed inside and outside tackle in the famous Jones off tackle power drive with just enough reverses and spinners mixed in to keep the Vol defence spread, to end their season in a blaze of glory.—United Press.

Swinton Beat Salford

SPECIAL TO THE "N.C.D.N."

London, Jan. 1.

In a Rugby League fixture played today, Swinton defeated Salford 16-6. —Reuter.

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Booking at The Theatre at 8.30 a.m. to 10 p.m.

New Marine Commander Arrives in Shanghai

Colonel de Witt Peck to Assume Command Today

Colonel De Witt Peck, new Commanding Officer of the Fourth Marines, arrived in Shanghai in the ss. President Coolidge from San Francisco last night accompanied by his wife and daughter, Elizabeth. The Colonel and his family have taken up temporary residence at the Cathay Mansions.

The Pecks were conveyed from the American President liner to the Customs Jetty by a ship's boat from the U.S.S. Marblehead and were met at the jetty by Lt.-Col. C. I. Murray, Commanding Officer of the Fourth Marines since the departure of Col. J. C. Fegan, and the staff of the Regimental Commander.

Colonel Peck will assume command of the Fourth Marines at the commencement of office hours this morning and will appoint Lt.-Col. Murray as his Chief-of-Staff.

Soviet-German Trade Accord Prolonged

Berlin, Jan. 2.

The commercial and financial agreement between Germany and Russia, signed on December 19, 1938, has been prolonged until December 31, 1940, says a Moscow despatch.—Reuter.

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Italian Envoy Will Return from Moscow

Rome, Jan. 2.

The Italian Government, it is learned, has invited its ambassador in Moscow to return to Italy on leave. This step has been taken in reply, to the Soviet Government's action in recalling its new ambassador to Rome, M. Borelkine, as a protest against the anti-Soviet demonstrations inspired by the Russian attack on Finland.—Reuter.

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Carolyn Lee
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When a boy from Bali.....Meets a Manhattan Molly...

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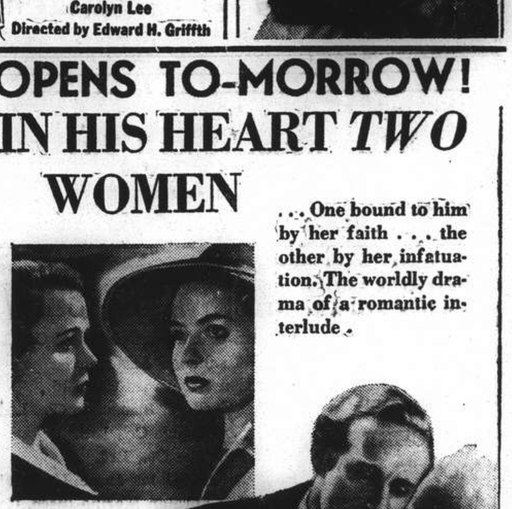
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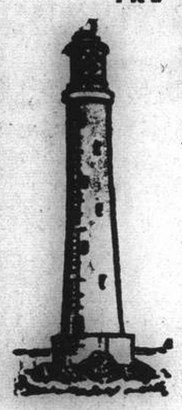

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Articles and letters intended for publication in the news columns of the paper should be addressed to the Editor and not to individuals.

Messrs. Crane-Debenham Ltd., 69 Fleet Street, London, are advertising representatives for the "North-China Daily News" and "North-China Herald," and have these newspapers on file.

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Announcements in this column $5 per insertion including insertions in the "North-China Herald."

ENGAGEMENT

MURCH—GORDIKOVA.—The engagement is announced between Lieut.-Commander N. R. MURCH, R.N., elder son of Mr. and Mrs. A. Murch, of Narenta, Dawlish, Devon, and Miss VALENTINA GORDIKOVA, youngest daughter of the late Mr. M. M. Gordikova and Mrs. Gordikova, of Harbin. -43

DEATHS

TARBY.—JACK TARBY, born at Pak-Hin-Hok, Canton, August 11, 1923, was lost at sea on December 28, 1939, off the English Coast when the s.s. "Hanne" on which he was serving struck a mine. 10049

VILLAS.—On Sunday, December 31, 1939, suddenly, at his residence, 475 Avenue Joffre, JOSEPH RICHARD VILLAS, aged 42 years. the dearly-beloved husband of Mrs. Renée Villas. Removed to the parlours of the International Funeral Directors, 207 Kiaochow Road. Requiem Mass will be held today, Wednesday, January 3, at St. Pierre's Church, Avenue Dubail, at 6.30 a.m., to be followed by interment at the Hungjao Road Cemetery, at 4 p.m. 10056

PODUSCHKA.—On Monday, January 1, 1940, at her residence, Passage 129, House 8, Avenue Haig, MARIE PODUSCHKA (née de Vallier); aged 64 years, the beloved wife of Joseph Poduschka and mother of Mrs. Tomara Kruspel. Removed to the parlours of the International Funeral Directors, 207 Kiaochow Road. Funeral services will be held at the Hungjao Road Cemetery tomorrow, Thursday, January 4, at 2 p.m. 10057

KWAN.—On Monday, January 1, 1940, at the Dah Wah Hospital, EDDIE, aged 15 years, the dearly-beloved only son of Mr. and Mrs. I. K. Kwan. Funeral services will be held at the Chapel of the International Funeral Directors, 207 Kiaochow Road, tomorrow, Thursday, January 4, at 2 p.m., to be followed by interment at the Hungjao Road Cemetery, at 2.45 p.m. 10058

KINDNESS.—On Monday, January 1, 1940, GEOFFREY, baby son of Mr. and Mrs. J. Kindness. 10059

KRILL.—On January 1, 1940, at the Paulun Hospital, Shanghai, EMMA KRILL, aged 34 years. Requiem Mass at the Church of Christ the King, Rue Bourgeat today, Wednesday, January 3, 1940 at 9 a.m. to be followed by interment at Lokawei Cemetery. 10053

CARREL.—On January 2, 1940, at the Country Hospital, Shanghai, LOUIS RAYMOND CARREL, aged 55 years, Coast Inspector, Chinese Maritime Customs, beloved husband of Lucy Carrel. The funeral (cremation) service will be held in the Bubbling Well Cemetery Chapel on Thursday, January 4, at 4 p.m. No flowers by request but donations may be sent to Missions to Seamen. (English papers please copy.) -10054

IN MEMORIAM

ANDREWS.—In loving memory of our darling MARY, dearly-beloved daughter of Mr. and Mrs. P. E. Andrews, who departed this life on January 2, 1938, age 1 year and 11 months.—MARY, earth has lost you, Heaven has gained you, God has done what He thought best. -10059

IMPARTIAL NOT NEUTRAL

SEVENTY FULL YEARS

It was today, seventy years ago, that the editor of the "North-China Daily News" penned an announcement which was of lasting importance in the history of this journal. Negotiations, which had been proceeding for some time before, concerning the purchase by the "North-China Daily News" of the "Supreme Court and Consular Gazette," which was to be amalgamated with the "North-China Herald" as the "North-China Herald & Supreme Court and Consular Gazette," by which name the weekly edition of the daily newspaper has been known ever since, had been concluded. And so on January 3, 1870, the editor of the journal wrote the following:—

We must say a few words today regarding ourselves. As we have already announced by advertisement, we have acquired the copyright and good-will of our weekly contemporary the "Supreme Court and Consular Gazette," which we purpose to incorporate with the "North-China Herald"; publishing, this afternoon, the first of the new series, under the title NORTH-CHINA HERALD & SUPREME COURT AND CONSULAR GAZETTE. Subscribers to the "North-China Herald" have generally expressed, to us, satisfaction with its compilation; and, have admitted its value, both for purposes of record and as a Home Newspaper. Its summary of news was fairly comprehensive; it contained the most permanent of the leading articles that had appeared during the week in the *Daily News;* reports of public meetings, which we imagine must be tolerably accurate, as we find they are generally adopted as official; papers and correspondence on varicus subjects of Chinese interest; reports of the more important law cases; and a carefully written commentary on the markets, and a list of prices current.

The *Gazette,* though containing much less matter, had several advantages over the *Herald.* Being compiled more with reference to circulation in China, than the *Herald* was, it devoted more space to original comment on political and current events; its law reports were offically revised, and it was universally voted a more convenient size for handling and for record. The first of these merits we hope to adopt into the amalgamated Paper; the second will be maintained; and the third we shall emulate as closely as we can. We cannot reduce the size of our sheet quite to that of our contemporary; as the bulk would, in that case, involve such a multiplicity of pages that the mechanical compilation, on mail day, would be almost a hopeless task. But we do purpose reducing the sheet to the size of the *Economist,* which will, it is believed, be found a perfectly handy form for filing and reference. The advertisements and other matter will also be so arranged that they can be filed or dispensed with, at the will of the subscriber.

It is hoped thus to offer to subscribers, whether in Shanghai, at the Outports, or over the Sea, a paper worthy their attention. Whatever old merits the *Herald* possessed, will be carefully kept up. Whatever distinct merit the *Supreme Court and Consular Gazette* possessed, will be also maintained.

We must add that we are not able to reach the standard we aim at, in the present number; the recent holidays and the short time we have had to make the change in, prevent our doing so; but we hope to do better in our next issue.

It is interesting to recall the circumstances in which a daily newspaper was printed in those days. There were no telegrams arriving, and ultimately, when they did, they consisted of a few words, bald statements of fact, and generally occupying but a line or two in the columns next to the leading article. The tael was in the neighbourhood of 6/-, with a dollar consequently at 4/2. Trinity Church had been opened on August 1 of the previous year. It was encumbered with plenty of debt, and the architect Mr. Gilbert Scott, away back in England, had not yet received his fees which represented a then undetermined amount. Just before the old year died it was announced that the "Shanghai Recorder" had ceased to exist and in recording its passing an editorial predecessor wrote: "We have always found our contemporary a frank and courteous rival and regret his disappearance from the field." In those days, when editors in Shanghai, and indeed all along the coast, took the greatest pleasure in flaying the hide off each other, this brief valedictory probably recalled many a stern wordy battle, for in those days if there were no news, and very often there was none, news had to be made somehow. The editorial staff of the "North-China Daily News" had not had its New Year holiday. The General Chamber of Commerce had decided for some reason to hold its annual general meeting on New Year's day,—a practice which has since, fortunately been discontinued,—the office had kept open to deal with it and the holiday was observed on January 2. That was not the hardship it might be nowadays, for it is on record that, even at a much later date, if it were decided that up-country shooting was more attractive than recording the parish pump politics of a small but thriving port, publication of the paper was suspended, a gentle habit which eventually brought about mild protest in the publication by some wags years afterwards of the "Daily Snooze" which seems to have brought about a change of heart. Talking of shooting there was a Gun Club in 1870, and in the issue which announced the important amalgamation there is a report of one of its meetings. There were no clay pigeons, and the moving targets of the marksmen were quails, of whom it is reported on this occasion that they were "strong and willing—and made good sport." Like the fox who is alleged to enjoy being hunted, the quails apparently liked being shot at.

Cases in the Supreme Court, if sufficiently important, were reported at very considerable length. Full shorthand notes were taken and for days, long after the hearing itself had concluded, the account of the proceedings was published serially, to such an extent that on occasion Shanghai knew the result of the case long before the full account of the trial had been concluded. Apropos of this, the acquisition of its new dignity by the "North-China Herald," by reason of the incorporation of the "Supreme Court and Consular Gazette," did not daunt the editorial mind, for a few days after the announcement the daily paper went on record concerning the temperature prevailing in Court. It was very cold, notwithstanding three grates and one stove. "These," the editor concluded, "seem to be ornamental and not for use." The fact is that a verbatim shorthand writer cannot take an accurate note unless he is warm, and, if three grates and a stove could not make him so, there was obviously something radically wrong, deserving of the sly editorial dig. But things have changed with the passing years. Where but a few words reached Shanghai by cable, and the daily puzzle of the editor was how to fill the paper, thousands now arrive every twenty-four hours presenting the much more difficult problem of how to get it all into the columns of which there are many times more now than then. Local events were few and far between, and where in those days column after column of very turgid debate at meetings was the rule, today the task is to present as complete an account in the shortest length possible. Then the editorial department was like a pump, now it functions more like a shoe-horn: these were spacious days when an hour either way made no difference; now the anxious eye ultimately has to watch the fleeting minutes. There have been other changes during the three-score years and ten since the above extract was written, but in the pages of the "North-China Herald & Supreme Court and Consular Gazette" has been recorded the very fascinating history of a very remarkable city.

A COUNTRY DIARY

Weihaiwei, Dec. 22.—Up in the Weihaiwei hills complete silence reigns, for even the smallest birds have either gone away or moved down to the valleys for shelter: no longer can be heard the scream of the Swift, the twittering of the Swallows (now departed) or the little songs of Titmouse and Bunting .... the birds of prey have departed too for it is useless for them to sail above the bare hills where there is no longer any prey. Quite apart from the question of shelter, the food supply is gone for any form of animal life, and so I have the hills to myself. These hills present a somewhat dreary sight from below for the fuel gatherers have scraped them bare of every blade of grass; the only comfort is to remember that they have not taken the roots and that four or five months hence all will be green again: but from the crests a magnificent scene meets the eye: an outline of great rugged rocks and behind it all the deep blue sea which seems to rise upwards like the back-cloth of a stage scene with ships that sail along it sideways; above that again a border of pale blue sky painted with scudding clouds of cotton-wool. Down below on the seaboard a line of white breakers is dotted with screaming Gulls, while the black form of a Cormorant (or is it a Shag?) goes skimming across the clear water in search of its daily bread: and there, among the black rocks, tiny bent forms are crawling round like a small army of ants: these are the women and children chipping the oysters off the rocks—oysters which, if they were only left to grow, would rival those of Whitstable. But nothing can be allowed to grow amongst an impoverished population which must have warmth and food during the hard winter to come. It all amounts to a sort of "scorched"—or rather "scarred" — earth policy which rivals that adopted by the local armies.

IN PARENTHESIS

What A Waste!

LADY Lecturer on A.R.P.: "Among the solvents for mustard-gas are petrol, ether and alcoholic spirits——"

Voice from the back: "That 'ud be an awful waste, Miss. Could you not drink the whisky and then breathe on it?"

* * *

Ping Pong

AFTER a heated argument, Mrs. Brown had succeeded in persuading her husband to allow their daughter to go to a boarding-school. After a few weeks the girl wrote home and said: "I'm just crazy on pingpong."

"What did I say!" exclaimed Mr. Brown. "I knew it would come to no good; now she's fallen in love with an Oriental."

* * *

Beyond His Ken

THE soldier was explaining the theory of shooting to his girl friend.

"You see, we have to calculate the distance of the object we want to hit, and then allow for the power of attraction of the earth."

"But suppose you are shooting over water?"

"Oh, that's more than you would understand—besides, I'm not in the Navy."

* * *

With Love From Auntie

A CHAP whose aunt plays the violin in the same amateur orchestra as a cousin of a man who was one of those censor fellows' fags at Eton, and so knows everything, that the public has got the Ministry of Information all wrong.

The Ministry of Information, this chap maintains, is not, as is generally supposed, a department for supplying information. It is simply a department for collecting it.

"And what is it supposed to do with this information when it has collected it?" he was asked.

"Oh, just put it in some safe place where the enemy can't get at it, that's all," he said.

* * *

Ersatz So?

GERMANY'S radio announcers continue to broadcast "ration recipes" to the German housewife. Not to be outdone, the speaker on the Austrian Freedom radio in Paris has also broadcast a recipe to Austrian housewives—for a Wiener Schnitzel, a veal dish regarded as a great delicacy by Austrians.

"Take your meat card," said the announcer, "tear it into small pieces and place in the frying pan. Add your fat and eggs cards, which should be put through the mincer and well stirred. Put your coal card under the pan and fry slowly. This should produce an excellent Wiener Schnitzel.

"For coffee," added the announcer, "we advise you to mix your coffee card with your milk card. Gourmets who like their coffee sweet should dissolve their sugar cards in it."

* * *

On the Home Front

IT has been rightly decided in high quarters that a lady of commissioned rank is entitled to the courtesy of a salute from a sentry of the opposite sex, should she be wearing her full military regalia at the time, writes Lane-Norcott in the "Daily Mail."

If the lady of commissioned rank happens to be what the Australians used to call "a bonza tabby" then we think the sentry might even pay her the additional courtesy of a harmless compliment as well.

For instance, while presenting arms, he might remark enthusiastically: "It is indeed a pleasure, made for me to salute so alluring a member of his Majesty's Forces as yourself. If I may say so without appearing to fawn, that little forage cap in nigger, with the chic wee badge in the front, suit you to perfection. So pass, madame, and all's well."

Remember this, though, sentries. Never salute or flatter a lady Captain of a Fire Brigade or you may easily turn her pretty head. Then she will always be snatching off her helmet to preen herself in its shiny surface and, in consequence, the fires will be terribly neglected.

* * *

Chat with the Awful Child

"WHAT is a Minister Without Portfolio?"
"Just a Minister without a portfolio."
"Why hasn't he got a portfolio?"
"Because they didn't give him a portfolio."
"Who didn't?"
"The Government, of course."
"Have all the other Ministers got portfolios?"
"I believe so."
"Then why didn't they give him one?"
"Perhaps there are not enough portfolios to go round."
"Well, why pick on him?"
"Somebody has to be picked on."
"Perhaps he's been naughty?"
"I wouldn't be surprised."
"What's he been doing?"
"Ah-ha. I wouldn't like to say."
"Why?"
"Because I don't know."
"Perhaps it's because of something he hasn't done?"
"That's much more likely."
"What hasn't he done?"
"Ask the Prime Minister."
"Does the Prime Minister take away portfolios from Ministers who have been naughty?"
"I'll say he does."
"Do they cry?"
"Cry? They howl. It's pathetic."
"What do they keep in the port-folios?"
"A change of socks and pictures of actresses."
"Why a change of socks?"
"Why pictures of actresses?"
"Perhaps they love the actresses."
"They do."
"But why the socks?"
"In case they have to go away for the week-end."
"With whom?"
"Never mind with whom."
"Does this one without a portfolio have to go away for the week-end without a change of socks?"
"Yes."
"And without the actresses?"
"I said pictures of actresses."
"Well, without the pictures of actresses?"
"I didn't say he had any."
"Well, who has?"
"I don't know."
"Well, if they have pictures of actresses and the Prime Minister takes away their portfolios, what happens to the pictures of the actresses?"
"They leave them about for their wives to see."
"What happens then?"
"Then they have something to cry about."
—Gubbins in the "Sunday Express."

THE WEATHER

Temperature near Holy Trinity Cathedral Shanghai 24 hours ending 7 p.m.:—

January 1, 1940	Min. 37.0	Max. 58.0
Same date, 1939	Min. 38.0	Max. 48.5
Rainfall nil.		
Yesterday	Min. 39.0	Max. 58.0
Same date, 1939	Min. 30.0	Max. 47.0
Rainfall nil.		

Temperature at Siccawei:—

Yesterday	Min. 31.3	Max. 59.4
Same date, 1939	Min. 30.9	Max. 49.1

Siccawei's Report

State on the morning of the 1st:—Siberian anticyclone steady over China. Fine and cold weather with regular winter monsoon along the China Coast.

State on the morning of the 2nd:—Fine and cold weather. Heavy hoar frost. Westerly breezes. Pressure rather normal and steady.

Probabilities, 4.30 p.m. yesterday:—Cold to cloudy or hazy weather with strong north-westerly to north-easterly winds over Shantung, our regions and the Eastern Sea.—Siccawei Observatory.

ACKNOWLEDGMENTS

TO THE I. C. MILK FUND

Mme. S. A. Jaspar	$200.00
Sir Victor Sassoon in lieu of a children's party	1,000.00
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Fierce Russian Attack In Karelia Repulsed

Reorganized Soviet Army Awaits Fresh Troops From Leningrad; Mannerheim Line Now Heavily Shelled; Suomussalmi Victory Made Into Rout

Helsinki, Jan. 2.

A VIOLENT Russian attack on Finnish forces in the Taipale sector on the Karelian Isthmus was repulsed on Sunday after intensive artillery fire was directed at the Russian lines, it was announced here last night. The announcement said Russian aeroplanes flew over the Norwegian frontier in the Petsamo area and dropped two bombs on the ice of the Rasvig River inside Norwegian territory.

Finnish forces were still pursuing the retreating Russians north of Suomussalmi yesterday, gathering much war material, the announcement declared. A Russian attack at Aittajoki, in the direction of Ilomantsi was repulsed, it was said. At least 22 persons were killed on Sunday during air raids in south-central Finland, the announcement said. It was believed that six Russian planes were shot down.

Russian troops will meet detachments of foreign volunteers at the front within the next few days, M. Kyosti Kallio, the President of Finland, said in his New Year's radio broadcast to the nation yesterday. The President emphasized Finland's need for active assistance of this nature from abroad and appealed to other nations to realize this need.

He revealed that the Russians, in the negotiations before the War, had demanded complete domination of both the Gulf of Finland and the Petsamo Fjord, which was the main factor leading to the break down of negotiations.—United Press.

Soviets Mass New Army

Stockholm, Jan. 2.

Fifty thousand Russian troops are massed at Leningrad en route to the Karelian Isthmus to attack the Finnish Mannerheim Line, the Swedish radio reported last night.—United Press.

Fierce Russian Attacks

Helsinki, Jan. 2.

The fierce Russian attacks yesterday on the Mannerheim Line are expected to develop today. Artillery preparation, of more than ordinary violence, has been pounding the Finnish positions for 36 hours. The Russians have tried to rush the defences with masses of men and material at several vital spots.

The reorganized Russian army, under General Stern, is believed to number at least 200,000 men in this sector, and it is reported that a further 50,000 are expected from Leningrad.

The Finns are supposed to have one-third of their total army of 300,000 in the Karelian isthmus.

All reports agree that the Finns have not yielded an inch of ground, but behind the Mannerheim Line they are understood to be hastily completing two subsidiary defence systems to prevent the Russians from breaking through.

Heavy batteries of Finnish artillery heralded the New Year in the Karelian Isthmus with 24 salvoes. These brought a furious response from Russian guns, which blazed away for nine hours, firing 40 or 50 shells a minute.—Reuter.

Russian Troops Cut Off

Copenhagen, Jan. 2.

Approximately 16,000 Russian troops were isolated by Finnish forces during a battle today on the Salla front which may equal in importance the Finnish victory on the Suomussalmi front on New Year's Day, according to press reports here today.

The Finns were tightening their cordon around the Russians and preventing any escape, it was reported.

Small detachments of Red troops, desperately attempting to escape to the Russian frontier, were shot, it was asserted.—United Press.

How Russians Were Trapped

Rovaniemi, Jan. 2.

Finish forces who annihilated the Russian division in the death trap at Kiantajaervi on Sunday, waited ten days while the bitter cold froze the Russians so that many were hardly able to lift a rifle, it was learned last night.

The Finnish strategy has won them the war's greatest victory, namely destruction of 18,000 Russian troops and an enormous amount of booty in war materials.

A direct attack on the Russians would be suicidal, but the Finnish Army and the Finnish weather are leagued in defence of the bottleneck front where early in the war Russia seemed about to roll over the narrowest section of Finland, cutting it in half from the border to the Gulf of Bothnia.

When the Russians had marched into the death trap laid by the Finns, they were surrounded and cut off from shelter and food. Their strength was sapped in ten days and on the eleventh the Finns struck. The Russians and their horses were so weak that some of them could scarcely move.—United Press.

Moscow Communique

Moscow, Jan. 2.

"Nothing of importance occurred today," says a communique issued here on the Russo-Finnish conflict.—Reuter.

(Continued on page 8, col. 2)

Vast Addition to British Army

Over 2,500,000 Men Made Liable by New Year Proclamation

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

Nearly 2,000,000 are affected by the Royal Proclamation signed last night, making liable for military service all men who have reached nineteen years of age but were not 28 years old on January 1.

This new method of specifying a number of age groups simultaneously instead of one at a time as formerly is adopted largely for administrative reasons. Registration recorded by the proclamation will not take place immediately nor will all men be required to register at the same time.

Men of nineteen years of age will not be called up until they reach twenty years. Speedy registration and calling up of new groups will be made in the light of manpower requirements of the three fighting forces. Meantime, no action is required by the men concerned until public announcement of the dates of registration of the various age groups, which will follow at carefully worked-out intervals.

Over Two Millions Liable

The total number of men who since the introduction for compulsory service have registered or are liable for service is now between 2,500,000 and 2,750,000 men, in addition to men who were members of the regular, reserve or auxiliary forces before the war and those who have entered as volunteers since.

The list of reserved occupations will naturally decrease the gross total of those now made liable for military service, but such exemptions are not very numerous until the age of 25 years is reached.

Men who registered in October have now nearly all been called up. The remainder will probably be called up in the middle of January. None of those registered in December have yet been called up, but some are expected to receive notices in a week or two, and the whole group may be absorbed by the end of February.

Dominion Nationals Exempt

Under the proclamation, nationals of overseas Dominions are not liable to be called up if they are not ordinarily resident in Great Britain, the qualification for ordinary residents being more than two years. An exemption is made in cases like overseas students attending a course of education.

It is understood that arrangements are being made for Australians and Canadians to transfer to their respective contingents now in Britain.

Sir Thomas Phillips, Permanent Secretary to the Ministry of Labour, stated last night that probably all new classes would be called to the Colours by the end of 1940. The earliest practicable date for calling up the 23-year group was not likely to be before March 1, he added.—Reuter.

Last Lot of Germans Leave Tyrol

Final Group Opting for Nazi Reich Now in Austria

London, Jan. 2.

The last batch of Germans living in South Tyrol, Italy, left by midnight on December 31. They were met at the frontier by Gestapo agents who escorted them to Austria, according to the Rome correspondent of the "Daily Express."

The repatriation of German nationals from Italian soil was carried out under an agreement between Italy and Germany. Over 50,000 preferred to become Italian citizens. They were allowed to do so under an Italo-German agreement signed between Herr Himmler, head of the Gestapo and Signor Guidi, Italian Under-Secretary for the Interior.

Ten thousand elected to return to Germany under Nazi promises that they would be provided for.—Reuter.

New York's Maddest New Year for Decade

$50 Million Spent in City During Night

New York, Jan. 2.

New York's New Year celebrations were the maddest and merriest for a decade.

Crowds in Times Square were so large that traffic was stopped. The low temperature, however, forced the noisy crowd to keep moving.

Night clubs sold out of liquor. It is estimated that $50,000,000 was spent in the city during last night.—Reuter.

British Medical Supplies Sent to Finland

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

Large quantities of ether, anti-tetanus serum and other medical supplies, including three tons of anti-gas ointment have been sent to Finland by the joint war organization of the British Red Cross and the St. John Ambulance Association.—Reuter.

Police Evict Strikers at Wing On's

Reserve Unit Busy on New Year's Morning; Trouble at Dormitory

Strike trouble at the Nanking Road department stores, particularly Wing On's, kept the Police busy over the New Year's holidays. The S.M.P. Reserve Unit was called out twice on New Year's Eve and early New Year's morning, and yesterday morning again police reserves were required to deal with trouble at Wing On's workers' dormitory in Wenchow Road, Sinza district. The Wing On employees were supported in the original trouble by a group of workers from Sincere's, and yesterday tension existed at all the Nanking Road department stores, which were however all operating.

The strike began on New Year's Eve over the dismissal of 31 employees at Wing On's. At 7.30 o'clock the workers generally asked the management to reinstate these employees or they would begin a "sit-down" strike. As the management refused to reconsider its decision, the workers stayed in the building after closing time and there was considerable agitation among them, including speeches made by one of the dismissed men. The main doors of the building all were closed, and police were posted outside.

At about 9.30 p.m., a large number of employees of the Sincere Co. gathered outside Wing On's to demonstrate their sympathy with the strikers. They were not permitted to join the strikers, however, and communication was kept up only by the displaying of written notices at the windows. Later many of these notices were seized by the Police.

Police Reserves Called

The Police Reserve Unit, under Mr. W. E. Fairbairn, Assistant Commissioner, and Supt. A. H. Chamberlain, was called to Nanking Road and cleared Kinwoka of the crowd which had assembled there to encourage the strikers inside the building. Considerable shouting by members of the crowd added to the confusion.

Later trouble occurred within the department store, where glass was broken and the strikers had been worked up to a high degree of excitement. It was finally decided, after warnings had been given, to clear the strikers from the building. Three men were arrested as instigators of the trouble.

Yesterday forenoon there was a further disturbance at the Wing On workers' dormitory in Wenchow Road. The cause of this was the seizure by those living in the dormitory of five loyal workers. The Reserve Unit again went into action and liberated the seized employees. Several of their captors were arrested. The dormitory was then closed.

Sun Company Trouble

Dissatisfaction with a new scale of pay granted by the Sun Co., Nanking and Yu Ya Ching Roads, caused a minor disturbance outside the establishment yesterday. Some of the disgruntled employees attempted to prevent others from entering the store but did not succeed in carrying out their plan. The police of Louza and Sinza Stations picked up a number of these "pickets."

Unemployed former workers of a Chinese silk factory in Yangtszepoo went to the office of the company at 37 Zung Mei Li, off Ningpo Road, yesterday and refused to leave. It became necessary to call the police who made the workers go.

Wedding of Second Sea Lord

Shanghai-Born Naval Chief Marries Miss Little

SPECIAL TO THE "N.C.D.N."

London, Jan. 1.

Admiral Sir Charles James Colebrooke Little, K.C.B., Second Sea Lord and Chief of Naval Personnel, was married to his cousin, Miss Mary Eliza Little, at Westminster Abbey today.

Admiral Sir Charles's first wife died in May, 1939.

The Second Sea Lord was born in Shanghai in 1882. During the World War, he was in command of H.M.S. Fearless and the Grand Fleet Submarine Flotilla. After the war, he was appointed Director of the Trade Division of the Naval Staff. In 1921, he went to Washington as a member of the British delegation to the Naval Conference.

In 1936/38, Sir Charles Little served as Commander-in-Chief of the China Station.—Reuter.

Red Cross Fund Totals £910,000

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

The Lord Mayor's Red Cross and St. John fund now stands at £910,000.—Reuter.

Second Canadian Contingent Reaches England for Western Front

French Navy Convoys Dominion Army Across Atlantic Without Incident; Force Welcomed

SPECIAL TO THE "N.C.D.N."

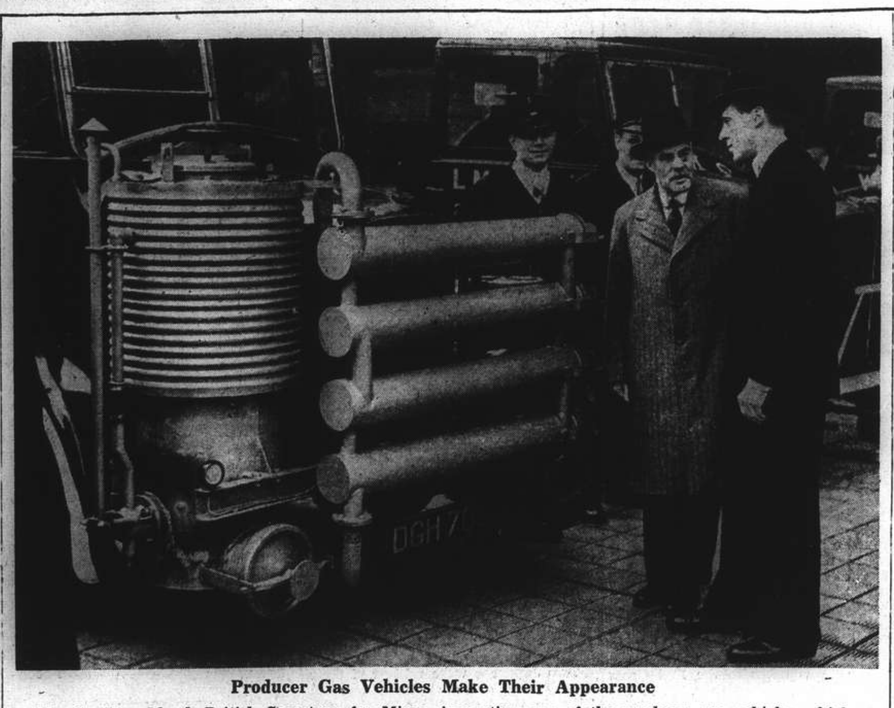
London, Jan. 2.

Canada's second contingent of troops sent to England landed on December 31 at a west coast port, lustily singing "Roll out the Barrel" and "Tipperary" as they marched ashore.

Mr. Anthony Eden, Secretary of State for the Dominions, officially welcomed the force, which, almost an army in itself, included artillery from Winnipeg and Montreal, engineers from Toronto and Halifax, signallers, an Army Service Corps, ambulance detachment, and infantry brigades, including a kilted Scottish pipe band.

In his speech of welcome, Mr. Eden said: "A nation from the New World is offering help to the challenge of tyranny in the Old World. Your example is the guarantee of final victory, and inspiration to freedom-loving peoples everywhere. Once again we are indebted to the men of the merchant marine, but this time your voyage and its accomplishment has special significance. You were convoyed across the Atlantic by warships of the French Navy, acting in close co-operation with His Majesty's ships. Every arrangement had been made in complete secrecy and was carried out with equal success.

"You would wish me, I know, to express on your behalf as well as on our own thanks to the French Navy for this great and signal service. In this close unity of our people lies certainty of better things to come."—Reuter.



Producer Gas Vehicles Make Their Appearance

Mr. Geoffrey Lloyd, British Secretary for Mines, inspecting one of the producer gas vehicles which was recently demonstrated to the Government. It is said that a car run on anthracite fuel is much cheaper than running on motor spirit.

His Majesty's Award of New Year Honours to the Navy

All Branches Honoured for Deeds of Courage, Bravery And Heroism; Shanghai-Born Briton Included in List

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

ALL branches of the British Navy were honoured by the King on New Year's Day for deeds of courage, bravery and heroism in war, according to a supplement of the "London Gazette."

The paper contains the names of more than 200 men decorated or promoted. Most awards are for skill and gallantry in life-saving, mine-laying and sweeping, and anti-submarine work.

Decorations for men of the submarine Ursula, which sank a German cruiser, are also announced, and mention is made of the submarine's "courageous and skilful attack."

Convoyers of foodstuffs and capturers of German ships have also been rewarded. More than 100 names figure in the New Year list of promotions announced by the Admiralty.

Twenty commanders have been promoted to the rank of captain, while 36 lieut.-commanders have become commanders.

Among the new commanders, is Sir Charles Madden, son of the noted admiral and nephew of Earl Jellicoe.

Seven promotions are announced in the Commonwealth Navy.

Honour's Gazetted

Among the naval honours gazetted appear the names of Rear-Admiral Edward Leigh Stuart King, Chief-of-Staff of the Home Fleet, awarded the C.B. (Companion of the Order of the Bath); Captains A. R. Halfhide, G. H. Freyberg, and J. N. Tait receive the C.B.E. (Commander of the Order of the British Empire); Commanders C. E. Hammond, St. John Aldrich Micklethwait, G. F. Stevens-Guille, L. A. K. Boswell and Lt.-Commander Bernard Moloney, are awarded the D.S.O. (Distinguished Service Order) for conspicuous service.

In addition, many officers received the O.B.E. (Officer of the Order of the British Empire).

A long list of officers and ratings are honoured with the M.B.E. (Member of the Order of the British Empire), the D.S.M. (Medal for Distinguished Service) and the D.S.C. (Distinguished Service Cross), while others are mentioned in dispatches.

Shanghai Briton Honoured

The promotion of a Shanghai-born Briton heads the list of Royal Air Force and Naval honours made public today.

The Shanghai Briton is Kennedy Dudley Stanion, who has been promoted from Flight Lieutenant to Squadron-Leader in the air force.

Cmdr. J. A. S. Eccles who is promoted captain is well-known in Shanghai, having served on the Commander-in-Chief's staff in H.M.S. Cumberland up to 1937. His last ship was the aircraft carrier Ark Royal.

Naval Officers Decorated

The naval honours list contains the names of the following decorated for services in the Sino-Japanese conflict:

Lieut.-Comdr. J.M.S. Cox, who was in Acting Command of H.M.S. Cockchafer when the ship was isolated in Kiukiang for some months, was awarded the Distinguished Service Cross.

Surg.-Lieut. V.J.R. Sheridan, who was aboard H.M.S. Sandpiper when the gunboat was bombed by Japanese aircraft at Changsha, awarded the same honour;

Petty-Officers H. Pitt and T. Topley awarded the Distinguished Service Medal.—Reuter.

Tientsin Frenchman's Gallantry

Tientsin, Jan. 1.

Not quite 19 years of age yet, Lucien Ferrer, Tientsin-born French boy, was awarded the Croix de Guerre (French War Cross) with palms for gallantry in action along the Western Front, it was learned here today.

The youngster, who was born in Tientsin on February 12, 1921, and was educated at St. Louis College there, is the youngest son of a family of 14. He volunteered for service late last year and was enrolled in a Colonial Infantry regiment in Paris.

He was decorated, it was learned, for capturing a German machinegun while on a daring raid against a German position.—Havas.

Japanese Failures Recounted

Chinese General Staff Optimistic of Victory In Present Conflict

Chungking, Jan. 1.

Confidence of a Chinese victory in the present hostilities was expressed by General Hsu Pei-keng, former Chinese military spokesman, and now Counsellor of the War Operations Department, in the course of a lengthy review of the Sino-Japanese military situation in 1939.

General Hsu Pei-keng, in his speech, divided the year into two periods, namely, the nine months before the European war, and the period after the outbreak of war.

During the first period, he declared, the Japanese had intended to complete occupation of the Peiping-Hankow railway to hold the plains in North China, and cut off the lines of communication between China and foreign countries.

In North China, the Japanese intended to clear Shansi province of Chinese troops, cross the Yellow river, and advance southward into Honan province in an effort to effect a junction with Japanese forces moving northward from Hankow.

Attempts Fail

The repeated Japanese attempts to drive out Chinese forces operating in the mountains of Shansi failed, while the Japanese campaign in North Kupeh, aimed at clearing up Chinese troops in the Tungpeh mountains, also did not succeed.

Although the Japanese had occupied Nanchang, in an attempt to cut China's communications with the east coast, he said, China was still in touch with the coast via Shangjao, Lingchwan and Hengyang.

Following the outbreak of war in Europe, and in view of Japan's unfavourable international relations resulting from the Soviet-German non-aggression pact and the abrogation of the Japanese-American trade treaty, the Japanese made several desperate attacks.

They launched a drive towards Changsha, at the same time asking Mr. Wang Ching-wei to form a new Central Government. The drive on Changsha collapsed, and so faded the dreams of Mr. Wang Ching-wei.

Landing at Yamchow

The Japanese then effected a landing at Yamchow for a drive towards Nanning, he added, but the Chinese forces are now counter-attacking on the Nanning front, while the Japanese are experiencing difficulty in maintaining communications with the coast.

General Hsu Pei-keng announced that in 1939 there were 6,200 engagements between the Japanese and Chinese forces, with Japanese casualties estimated at 400,000 killed and wounded.

In 1938, he stated, the Japanese had employed 31 divisions, or 655,000 men, with casualties totalling 355,000 killed and wounded, while during the last year, 39 divisions, or 800,000 men had been put in the field.

"Despite the increase of Japanese armed forces in China," General Hsu concluded, "the Chinese fighting strength and attacking ability has showed a marked progress."—Reuter.

Up-river Gunboats To Be Laid Up

In accordance with their policy to reduce the number of gunboats on the Yangtze River in order to fulfill military requirements elsewhere and to release a number of trained officers and men for employment on active service, His Majesty's Government have decided to lay up two of the three gunboats now on the river above Hankow. This operation will accordingly take place in the near future.

Alarm Closes H'kong To Shipping

Hongkong, Jan. 2.

A naval communique issued here this evening states: "The port of Hongkong was closed today as the result of an alarm given by offshore patrols, the cause of which is now being investigated." The nature of the alarm is not disclosed.—Reuter.

The British naval authorities here informed the "North-China Daily News" last night that certain other reports concerning this incident are without foundation.

Soviet-Japan Make Fishery Pact

Modus Vivendi Reached In Moscow Talks; Treaty May Follow During Year

FROM PERCY WHITEING
N.C.D.N. Special Correspondent in Japan

Tokyo, Jan. 1.

It was revealed in a statement issued by the Gaimusho last night that Mr. Shigenori Togo, Japanese Ambassador to Moscow, and M. Viacheslav Molotov, Soviet Foreign Commissar, have signed a *modus vivendi* for 1940 in connection with the fisheries problem between the two countries. The terms of the new agreement are similar to those which prevailed in 1939, but provision has been made for the signing of a long term treaty sometime during 1940, subject to the approval of the Japanese Government.

The proposed long term treaty will include the payment of the outstanding last instalment of approximately Yen 6,000,000 for the Chinese Eastern Railway (now the North Manchurian Railway) which was purchased by Manchoukuo from Soviet Russia. This question was a thorny point which had impeded a settlement being reached in the fisheries dispute between the two countries.

The Manchoukuo Government, it was announced, will pay the last instalment for the purchase of the railway together with interest and a premium on the gold clause. Soviet Russia, on the other hand, has agreed to pay a sum of Yen 1,300,000, which it admits is due under the original railway sale agreement, to Manchoukuo. Two thirds of the balance due to Soviet Russia will be spent in the purchase of Manchoukuo goods, the Gaimusho statement revealed.

Vatican Chancellory Damaged

Pope Moved When Told News Of Ravages by Fire

Rome, Jan. 2.

A serious fire occurred yesterday in the Apostolic Chancellery of The Vatican.

It is believed the chancel of the Church of Saint Lorenzo was destroyed and the hall, which occupies the entire floor of the Palace, seriously damaged. The blaze was watched by huge crowds. Cardinal Maglione, the Papal Secretary of State, went to the scene with the Governor of the Vatican and various Italian officials. The Cardinal afterwards gave an account of the damage to the Pope, who was much moved.

Opinion at the Vatican is divided as to the cause of the fire. One theory is the outbreak was caused by a short circuit and another that it is a case of incendiarism.

The Chancellery is not within the precincts of Vatican City, but is one of the most important pontifical buildings in Rome itself and enjoys extra-territoriality.—Reuter.

New Honour Sought for Maginot Line Creator

SPECIAL TO THE "N.C.D.N."

Paris, Jan. 2.

Deputies and Senators give full support to the suggestion that the remains of Andre Maginot, former French War Minister and creator of the Maginot Line, should be reinterred in the Tomb of Honour at the Pantheon. The proposal has also been unanimously accepted by the Paris Municipal Council, but has not yet been approved by the Government.—Reuter.

R.A.F. Drive Off German Raiders from Shetlands

Uruguay Interns Nazi ss. Tacoma; H.M.S. Ajax May Visit Montevideo; More Ships Sunk

London, Jan. 2.

AN unsuccessful German attack on the Shetland Islands is revealed in communiques issued by the Admiralty and the Air Ministry. Raiding aircraft were sighted over the Shetland Islands yesterday morning, it is stated. Bombs were dropped but there were no hits on British warships and no casualties were suffered. Fighter patrols and anti-aircraft guns went into action, says the communique, and it is believed that one German aircraft was brought down.

During the attack, it is reported, one German plane power-dived right down above a warship and dropped bombs, without result. Anti-aircraft guns on the warship directed heavy fire against the plane, which flattened out and flew off. Three sheep were killed in the raid.

Three ships met with disaster in the North Sea on New Year's Day. The London tanker San Delfino (8,072 tons) was damaged by a mine and beached. Her crew, numbering 41, landed without any casualties. The British steamer Boxhill (5,677 tons) sank following an explosion. Twelve men of the crew of 32 and one body were landed at a north-east coast port. It is feared the other 19 are lost. The Norwegian cargo steamer Luna (959 tons) struck a mine, according to a message from Haugesund. The crew was rescued by another Norwegian cargo vessel, the Colombia, and taken to Kopervik.

H.M.S. Ajax to Visit Montevideo

H.M.S. Ajax, flying the flag of Rear-Admiral Harwood, commander of the British cruisers that chased the German pocket-battleship Admiral Graf Spee into Montevideo, will shortly pay a courtesy visit to Montevideo if the consent of the Uruguayan Government is forthcoming. The statement that H.M.S. Ajax is visiting Montevideo to repair damage suffered in the action with the Admiral Graf Spee is devoid of truth, according to an authoritative announcement in London.

Survivors from the trawler Barbara Robertson, sunk by a U-boat off the north of Scotland, arrived at Fleetwood yesterday. One life was lost when the vessel was sunk, the rest of the crew being picked up by a warship after twelve hours in a lifeboat, which was sighted by a seaplane.

Quietest Week of War

Last week represented the quietest week of the war as far as German naval activity was concerned, according to authoritative quarters here. Not a single vessel was sunk through the direct action of German U-boats and there was also marked absence of German aerial activity. The result of this period of quiet was that the total of British tonnage sunk during that period was 6,600, the smallest weekly total since the war began.

Over a period of sixteen weeks British, Allied and neutral vesesls sunk by German submarine, wine or naval action have averaged thirteen vessels or a total of 44,000 tons per week. As far as British losses are concerned, the average is 25,500 tons weekly, but this is practically compensated, it is stated, by a weekly tonnage of 25,000 acquired through new construction and other sources.

The success of the British convoy system against German submarine attacks is illustrated, it is claimed, by the fact that during this period a total of 5,568 ships was convoyed and of this number only twelve were sunk by enemy action, or one-fifth of one per cent. of the ships convoyed.

R.A.F. Protect Fishing Fleet

British aircraft patrols are now protecting fishing fleets, Reuter learns. Since this system of defence was started, the number of attacks on defenceless boats by German raiders had been reduced considerably. There were no Christmas or New Year holidays for the coastal patrols. About 260 patrol aircraft maintained normal duties.

Bulgaria, Greece, Rumania and Turkey have been added to the list of consignee countries for which the Navicert system is available, according to an announcement by the Ministry of Economic Warfare. Navicerts are now being issued by His Majesty's representatives in the United States, Brazil, the Argentine, and Uruguay, for exports from those countries to the following countries in Europe: Belgium, Bulgaria, Denmark, Estonia, Finland, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, the Netherlands, Norway, Portugal, Rumania, Sweden, Switzerland, Turkey and Yugoslavia.—Reuter.

German Liner Reaches Home

New York, Jan. 2.

The 16,000-ton Hamburg Amerika liner St. Louis, which was at New York when war broke out, arrived safely at Hamburg yesterday, according to a radio report from Berlin tonight.—Reuter.

Nazi ss. Tacoma Interned

Montevideo, Jan. 1.

The German freighter Tacoma (8,268 tons), of the Hamburg-Amerika Line, was interned today by the Uruguayan authorities, when the time-limit set her expired at 11.30 a.m. (G.M.T.). Shortly before noon, representatives of the Government boarded the vessel as she lay in the Outer Harbour, and signed legal bonds under which she will be detained in Uruguayan waters for the duration of the war. A guard of twenty sailors was placed on board to prevent any attempt at escape.

Uruguay's action was taken on the ground that the Tacoma had inter-

(Continued on page 8, col. 4)

Tommies Finding Beer Too Dear

Capt. Balfour Says He Will Investigate; West Front Quiet

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

Capt. H. H. Balfour, Under-Secretary of State for Air, paid a visit to the Royal Air Force in France. The tour lasted two days, during which time he inspected many units and used an aeroplane for transport.

"I came to see myself," he said, "how things are going, and to hear if there are any complaints." He stated the general complaint was that English beer was too dear. "They are quite right, too," Capt. Balfour declared, "and I must see what can be done."

Since his arrival two days ago, Capt. Balfour inspected a number of aerodromes, aircraft and crews, and met representative groups of officers, N.C.O's and aircraftmen.

Captain Balfour, who was a pilot himself in the last war, told Reuter he wanted to see things at first hand. He was greatly impressed, he added, by the fine spirit of the R.A.F. personnel. Like many other visitors, he was also much struck by the happy relations existing between local French civilians and the British fighting men living among them.

Future Status of R.A.F.

Reuter's special correspondent with the R.A.F. in France telephoned last night that while the British Expeditionary Air Arm has developed into a far more formidable force than it was at the beginning of the war, the question of its independent status is being keenly discussed between the War Office and the Air Ministry.

It is a question of whether this air arm shall continue to operate as an advance force of the R.A.F., or form part of the British Expeditionary Force, following the procedent of co-operation established in the last war.

One argument heard, says the correspondent, is that if the R.A.F. in France remains independent, the way towards a unified Allied air command, which it is believed is strongly favoured by British and French air forces chiefs, would seem to be clear.—Reuter.

Patrols Active on West Front

Paris, Jan. 2.

Violent patrol clashes in the Vosges mountains, east of the Moselle river, in the Nied region and at other places marked the day on the Western Front yesterday. Advance posts were attacked on both sides and both French and German attacks were repulsed except at Nied where French patrols and planes, backed up with artillery fire, attacked and penetrated German territory, capturing a number of wounded prisoners. East of the Moselle River skirmishes attracted artillery blasts from both sides without result.—United Press.

Nazis May Reshuffle Posts as Bait

Extremists May Be Sent Away to Invite Peace

Paris, Jan. 2.

An internal political change in Germany is being prepared to convince the Allies to make peace, the correspondent of "Le Petit Parisien" in Italy reported last night.

The programme includes making Chancellor Adolf Hitler President of the German Empire, according to the correspondent. Field-Marshal Hermann Goering would be named Chancellor, he reported, and Nazi radicals, especially Herr Heinrich Himmler, head of the Secret Service, and Dr. Joseph Goebbels, Minister of Propaganda, would disappear. The Ministry of Foreign Affairs, he said, would be under a professional diplomat. Dr. Hjalmar Schacht, would again head the Ministry of Economy, he said.

The programme of the new Government would be silent on imperialist designs and there would be a slackening of relations with the Soviet Union and a promise for the recreation of a limited Poland and Czechoslovakia under the head of some well known personality, he declared. The new German programme would renounce the autocratic system and return to a normal world economy, the correspondent said.

According to the correspondent, high German military leaders have agreed with Nazi leaders to sound out high business circles, who appear to agree to any internal solution which will prevent Germany from slipping further towards a Bolshevik economic system.—United Press.

British Ambassador In Hongkong

Hongkong, Jan. 2.

Sir Archibald Clark Kerr, British Ambassador to China, arrived here this morning from Shanghai en route to Chungking. He was accompanied this time by Lady Clark Kerr, Mr. P. M. Broadmead, counsellor of the British Embassy, and Mr. John Alexander, his private secretary, who formerly was consul in Nanking. Sir Archibald and his party are expected to leave Hongkong by air soon.—Domei.

Japanese Banker Says China War Will End Within One Month

Magnanimous Peace in Sight; European War Will Go In Favour of Allies by Easter, States Viscount Kano

London, Jan. 1.

"The Sino-Japanese conflict will end in a month in a magnanimous peace," declared Viscount Kano, London manager of the Yokohama Specie Bank in an interview here today.

Japan, he said, did not want territory or indemnity from China, only access to raw materials and a better market for Japanese goods.

Viscount Kano also hoped better Anglo-Japanese relations would materialize in the near future. Referring to the European war, he said the conflict would have reached a turning-point in favour of the Allies by Easter.

Germany did not have the foreign investments or other resources she possessed in 1914, he commented, and as the Reich's resources were diverted more and more to military purposes, the sufferings of the people would increase. The scarcity of salt, food and clothing was already being felt.

"How can Germany, in this plight, carry on a full-dress air bombardment of Britain or an assault on the Maginot line?" Count Kano asked.—Reuter.

Severe Storms Follow Floods And New 'Quakes in Turkey

Hundreds of Villages Marooned; Swollen Rivers Sweep Away Buildings; Minor Shocks Continue

Istanbul, Jan. 2.

FOLLOWING earthquakes and floods, the Turkish people were today hit by a third natural disaster. Many Turkish ships are feared lost in terrific storms in the Black Sea. A small British-built Istanbul steamer, the Turkan, is reported to have sunk with her crew of 20.

President Inunu last night left Erzincan for Sivas, where he will continue to supervise rescue work. The event of milder weather gives hope that the most urgent relief work and burial of the dead will be completed within ten days.

According to latest reports more than 300 people lost their lives in floods in north-west Anatolia. Altogether it is believed the victims of floods and earthquakes number more than 45,000. Floods are now reported from the Amassa area, in the earthquake zone. Rivers swollen by the torrential rains have overflowed, sweeping away bridges and wrecking almost every building in their path. Hundreds of villages are marooned and military engineers are building pontoons to rescue the inhabitants.

Thousands of terror-stricken men, women and children are fleeing from the floods, half-clothed and suffering from the bitter cold. It is feared the full extent of the havoc caused by the floods will not be known for several days, when rescue parties will have managed to penetrate all parts of the inundated regions.

News continues to arrive revealing the devastating nature of the floods in the Brusa region and on the plains of Karadjabey and Manissa, also in the area of the Ismid Gulf, where a naval base is situated. Water in many places has reached a depth of six feet. Populations of numerous villages have taken refuge in the mountains, while at least 500 people are marooned in isolated hamlets.

President Directs Relief

President Inunu arrived yesterday morning at the earth-quake devastated city of Erzincan, accompanied by the Ministers of Health and Interior and the Inspector-General of the Army. The President immediately started a tour of the wrecked quarters of the city and later had conference with local authorities and issued orders to accelerate the assistance being given the survivors.

Tents are rapidly being erected and huts provided for the survivors, who are being tended by relief workers from all parts of the country.

Hundreds of dogs have invaded villages round Erzincan and a plague of rabies among them constitutes a new and serious danger to the survivors.

Earthquake shocks continue intermittently but with less intensity.—Reuter.

'Quakes Felt in Yugoslavia

London, Jan. 2.

According to the German radio, earthquake shocks yesterday seriously damaged several buildings in Dubrovnik, Yugoslavia. There were no casualties, the reports stated.—Reuter.

Geyve Valley Submerged

Istanbul, Jan. 2.

Flood waters resulting from last week's earthquakes swept northwestwards yesterday devastating scores of towns and villages.

Geyvè Valley, 156 kilometres southeast of Istanbul on the Ankara railroad, was entirely submerged and 32 villages in the Geyve region were inundated. The population in many of the villages were forced to take refuge in tree tops while awaiting relief.

New earth shocks were reported in the Tokat area again yesterday evening as the death toll in Turkey's disastrous week of earth-quakes continued to mount.

Official quarters last night confirmed reports that seventy per cent. of the population of Erzincan perished in the first earthquakes to hit that area last week. A total of 550 Turkish villages have been damaged or wiped out. The total population of these villages was estimated at 135,000.—United Press.

Terrorists Bomb Fire Station

London, Jan. 2.

A bomb was thrown into Londonderry (North Ireland) central fire station last night, shattering windows, wrecking the ceiling of a fire-engine shed and slightly damaging one engine. There were no casualties.

The outrage is believed to be a reprisal against men from this station who, under police instructions, turned hoses on Republican prisoners to quell the disturbance in Londonderry gaol on Christmas Day.—Reuter.

China's Finances Declared Sound

Generous Contributions From Overseas Assist In Paying For Hostilities

Chungking, Jan. 1.

"China's wartime finances are marching abreast with the front line fighters of our country," declared Dr. H. H. Kung, the Minister of Finance, in a New Year's message today.

Dr. Kung attributed China's financial achievements to the sound foundations laid in times of peace, the expert manœuvres in the war, and the agricultural basis of China's internal economy.

Dr. Kung also mentioned the huge remittances and generous contributions from overseas' Chinese, and the co-operation of friendly nations, as being of great assistance to China's economic stability.

China's progress in political, military, economic and social fields during the past two and a half years was stressed by General Pai Chunghsi, the famous Kwangsi commander, in a New Year's message today.

In the course of his speech General Pai declared: "To gain a final victory we must have internal unity."—Reuter.

Primate Warns Against Atrocities

Britain Must Uphold Ideals For Which She Entered War

London, Jan. 2.

The Archbishop of Canterbury, broadcasting on New Year's Eve, said it was vital that Britain should be upheld in the war by invincible faith in the rightness of her cause. He warned against "unrestricted competition in atrocities with the enemy."

"As time goes on and just indignation rises against some of the enemy's methods, there will be angry demands to pay them back in their own coins. Some reprisals there must be, but there will be limits beyond which we must not go. The ideals for which we went to war must not be forgotten."

He recalled that when Abraham Lincoln was asked: "Do you think God is on our side," he replied: "I do not know, but what matters is that we should be on the side of God."

"Can we doubt that whatever our shortcomings and sins as a nation, in contending for the eternal and absolute verities of right or wrong we are acting in accordance with the will of God?" the Archbishop of Canterbury asked in concluding the broadcast.—Reuter.

Britain May Break With Russia

New White Paper Expected To Indict Soviet Policy

London, Jan. 2.

The possibility of a break in Allied relations with Moscow and the intimation of the establishment of a "moral crusade" against Russia claimed the attention of diplomatic circles here yesterday.

It was reliably reported that the White Paper which the British Government intends to publish in January is expected to constitute an indictment of Soviet policy, disclosing how Moscow, before concluding its pact with Chancellor Adolf Hitler, attempted to win British and French assent to Russian domination of her Baltic neighbours.

The British Ambassador to Russia, Sir William Seeds and his wife will leave Moscow, probably today, "on leave." Sir William's arrival in London is expected to coincide with Foreign Office preparations of the White Paper revealing the inside story of the vain Anglo-French negotiations for a pact with Russia.

Sir Hubert Gough, Commander of the Fifth Army during the Great War, published a call to Britain to lead a "European moral crusade" against Russia. He urged Britain to "stand up boldly to Russia" and ridiculed the threat of a Soviet invasion of Iraq and India.—United Press.

Dutch Fire on Unknown Planes

Amsterdam, Jan. 2.

Several planes of unknown nationality passed over North Friesland on Sunday night, it is officially announced. Anti-aircraft guns opened fire and the planes disappeared, it is stated.—Reuter.

Armed Battle in Kiaochow Road

Police and Four Suspects Exchange 20 Shots; Beggar Woman Wounded in Leg

Gordon Road police last night and four men engaged in an exchange of shots in Kiaochow Road near Sinza Road at about 8.30 o'clock in which a woman beggar, caught in between the gunfire, was wounded twice in the leg. The men escaped but since it could not be ascertained whether or not they were wounded the police searched for suspects in hospitals later in the evening.

More than 20 shots were exchanged in running gun battle when four men, two of whom were dressed in the Chinese-style overcoats, were challenged by a search party consisting of six officers and men from the Gordon Road Station. Refusing to be searched at the street corner the men tried to run and to shoot their way to freedom. Eye-witnesses who described the shooting stated that the men escaped in different directions with officers hot on their trail but they eventually disappeared in dark alleys.

The beggar who was walking in Kiaochow Road was shot twice in the leg and was taken to the Red Cross Hospital in an ambulance. It is believed that she will recover.

Russians Said Massed For Drive on India

Rome, Jan. 2.

Russian troops are massing in the Caucasus for a drive into India, the "Messaggero" Cairo correspondent reported last night.

"For the past twenty days," the correspondent reported, "Moscow is reported to have been massing troops in the Caucasus. According to the "Messaggero" correspondent at Teheran, the Russians have massed 800,000 troops on the Afghan frontier and it is also reported that an Anglo-French expeditionary force of 300,000 troops, commanded by General Maxime Weygand, is being organized to meet the Soviet menace."

The "Messaggero" correspondent at Calcutta reported that it was understood a volunteer Indian militia was being formed to enable Anglo-Indian regulars to concentrate at the Khyber Pass.—United Press.

China's Friendship With Siam Stressed

Recent Moves in Thailand For Purpose of Order

Chungking, Jan. 1.

An expression of Sino-Siamese friendship, and an assurance of protection for the lives and property of Chinese nationals in Siam was given by the Prime Minister of Siam, in a telegram received by General Chiang Kai-shek today.

This was in reply to a message sent to the Prime Minister of Siam on November 29, in which General Chiang Kai-shek stressed the friendly relations which had always existed between the Chinese and Siamese peoples.

General Chiang Kai-shek's message stated: "Due to geographical and economic reasons, Sino-Siamese relations have always been close and friendly. Our friendship constitutes a great stabilizing factor in the Far East. The Chinese love peace and obey the law, and Chinese nationals in Siam are there only to make a living, and are making due contributions to the prosperity of Siam, without any ulterior motives. China hopes that Siam will give them every protection."

In a reply, dated December 7, the Siamese Prime Minister emphasized that the measures taken by the Government against Chinese living in Siam "were directed only against the unlawful activities of certain undesirable Chinese endangering peace and order, and harming the lawful pursuits of large majority of the Chinese population."—Reuter.

Fierce Russian Attack in Karelia Repulsed

(Continued from page 7)

Paris, Jan. 2.

Soviet Commissars made prisoners by the Finns are proving very difficult. Some were shot for attempting to hide arms and to continue the work of agitation, according to a French correspondent, who made this report following a visit to the front in the north of Lake Ladoga.—Reuter.

Swedish Unit with Finns

Helsinki, Jan. 2.

"Thousands of Swedes wanted to take part in the struggle and in the course of the last few days, their wishes have materialized," declared M. Viano Tanner, the Foreign Minister, in an interview today with the Swedish News Agency. He said this force of volunteers was under the command of General Linder, who commanded the Swedish volunteers who fought for Finland against Russia in 1918, and had come to participate as a unit of the Finnish Army in the fight against Soviet Russia. The force also comprised an adequate number of officers and non-commissioned officers and their role in the struggle for freedom and peace would be important, M. Tanner added.

Finnish troops continue to pursue retreating Russian forces north of Suomussalmi, according to a communique issued here last night. Considerable booty has been taken by the Finns, it is claimed. A number of reconnaissance flights were carried out by Finnish aircraft, the communique adds, and the Soviet rearguard was bombarded. It is definitely established, the statement claims, that four Russian planes were brought down by anti-aircraft fire, while two others were probably destroyed.—Reuter.

Adm. Byrd Leaves for Little America

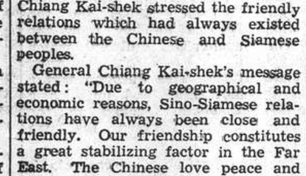
Dunedin, Jan. 2.

After a brief stay, Admiral Richard Byrd, the explorer, left here today for the Antarctic aboard his Polar exploration ship North Star. His destination is Little America, near the South Pole, whither he is heading an American expedition.—Reuter.

British Vice-Consul in Peiping Coming Here

Peiping, Jan. 2.

Mr. F. F. Garner, British Vice-Consul in Peiping, left this morning for Shanghai, to which he has been transferred to be a member of the staff of the Commercial Counsellor.—Reuter.



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Germans May Use Incendiary Bombs

London, Jan. 2.

German preparations for a violent onslaught directed mainly against Britain will be completed by March, suggest Berlin correspondents of American newspapers quoted today by the "Daily Telegraph." The attack, they say, is likely to take the form of aerial bombardments with small incendiary bombs filled with thermite, which is very difficult to extinguish. Good bombers are said to be capable of carrying 10,000 of these "egg" bombs.—Reuter.

Two Japanese Robbed Over Holidays

Highway Robberies in Various Districts

Several robberies took place in the International Settlement on New Year's Eve and New Year's Day. Two robbers were arrested after alarms had been given, on New Year's Day.

Two Japanese were robbed of their money and outer clothing, one on Tientsin Road and the other in the Wayside district.

There were other highway robberies. The loot in most of these cases was relatively small.

Altogether six robberies were reported to the Settlement Police.

R.A.F. Drive Off German Raiders from Shetlands

(Continued from page 7)

vened in the Admiral Graf Spee affair as an auxiliary unit of the German Navy. It is thought Herr Hitler may have decided against scuttling because this would have lent support to the Uruguayan contention that the Tacoma was a belligerent. This contention is vigorously contested by the Germans. Scuttling would also have caused trade complications as the ship carries a considerable cargo of refrigerated fruit belonging to exporters on the Pacific coast of the United States.

Another theory is that the captain had hoped to make for Buenos Aires where he believed he might escape internment, but on sighting a British warship decided that the plan was impracticable.—Reuter.

German Ship Strikes Mine

Osio, Jan. 2.

The German ship Johannschute, 8,000 tons, early today struck a mine off the coast of Norway, and is at present floating badly damaged off the coast near Roervick. The crew of 36 and two Norwegian pilots were rescued by the Norwegian steamer Dronningsmund, and have been landed at Trondheim.—Havas.

General Smuts Hopes For Turn for Better

Patriotic South Africans Urged to Do Duty

Pretoria, Jan. 2.

The Prime Minister, General Ian Smuts, broadcasting a New Year message yesterday, said the war, after four months, had been full of surprises and hitherto no great battle had been fought on land, sea or in the air.

"Who knows whether 1940 may not witness some unexpected turning of the corner, some fruitful peace effort, backed by heaven's high blessing. The age of miracles is never past, although it would be unwise to build hopes on miracles."

General Smuts remarked that South Africa, hitherto, had hardly felt the effects of war and affairs in the Union had continued "curiously normal," including party and political strife. He added that the question was no longer whether they were rightly or wrongly at war, since that issue had been decided and closed, and every patriotic South African, whatever his politics, could now only put the interests of his country first in thoughts and actions.

"Right nobly has the young manhood of South Africa risen to duty. That South Africa is in danger, who can doubt?" General Smuts concluded.—Reuter.

The players in Howard Hawks' latest Columbia production, "His Girl Friday," which is streamlined for speed, maintain a pace between 175 and 250 words a minute. Sound experts maintain that the romantic comedy drama, co-starring Cary Grant and Rosalind Russell with Ralph Bellamy, is the fastest film on record.

DIFFICULT YEARS FOR CHILDREN

It's when children start to shoot up suddenly that they need your special attention. Children who are growing fast often tire easily, get pale, listless and do poorly at school.

The trouble is that children have a double job of work to do. They use up energy in work and play and at the same time they are growing!

Doctors and nurses have recommended Horlicks for years for children who need this extra energy. Horlicks moreover builds sturdy bone and muscle. You'll find that paleness disappears, and school-work improves. And the children seem to gain endless energy and "go." Get Horlicks to-day.—ADVT.

(4)

Chungking to Issue New Small Currency

Chungking, Jan. 1.

The Ministry of Finance officially announces that as from today, New Year's Day, the Chinese Government will release new subsidiary coins for circulation. They will be one cent, two cents, five cents and ten cents coins and will be different from the old coins.—Reuter.

Britain Informs League Of Aiding Finland

London, Jan. 2.

Great Britain has officially informed the League of Nations that she intends to give Finland all the assistance she finds in her power to extend. In her Note, Britain added that she already has taken measures to give such help.—Havas.

R.A.F. Casualty List Records 66 Names

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

Casualty Communique No. 16 issued by the Air Ministry gives the names of 66 Royal Air Force casualties on various dates.

These include: Five men killed in action, seven previously reported missing and now reported killed in action, fourteen missing and believed killed in action, seventeen missing, thirteen killed on active service, eight men who died on active service, one previously reported missing and believed killed and now reported killed in action, and one man wounded in action.—Reuter.

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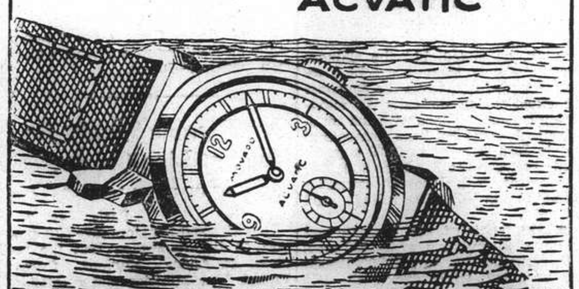

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DRESSES MADE TO ORDER FROM $18
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"Now my head feels clear as a bell"

Better still, if you use Va-tro-no! sooner you can PREVENT many a cold

OF COURSE that wretched stuffiness of a head-cold or nasal catarrh is quickly banished with a few drops of Vicks Va-tro-nol up each nostril. The moment you use it, you *feel* the tingle of its keen, stimulating action as Va-tro-nol quickly relieves irritation, clears away clogging mucus, reduces swollen membranes, drains the sinuses—makes every breath delightfully clear and cool again.

BUT WHY WAIT until your nose is stuffed up? At the first warning sniffle or sneeze use Va-tro-nol at once—and avoid many colds altogether.

Va-tro-nol is *specialized* medication for the nose and upper throat *where 3 colds out of 4 begin.* Used in time, it stimulates Nature's own defenses in this "danger zone" to throw off a cold *before* it starts. Doctors have *proved,* in scientific tests among 17,353 people, that Va-tro-nol can often help you to *escape entirely* the days and nights of misery that a cold brings.

Use Va-tro-nol to banish that stuffiness you are suffering now. Then keep it handy, use it early, and *prevent* your next cold.

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WESTERN SUPPLY COMPANY
1621 Bubbling Well Road Tel. 33302-33684

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962 Yu Yuen Road Tel. 20052

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1158 Bubbling Well Road Tel. 33244

will quote net prices only, thereby affording their customers the opportunity of saving both money and time and the avoidance of bargaining. By shopping at the above stores you will be commencing the New Year right for there you will obtain the lowest prices possible and goods of the finest quality.

A few well-known brands of goods are listed below and a glance at the prices will convince you of their undeniable value.

Quaker Oats	20 oz. tin	$2.25	Carnation Milk	Sm. per tin	$0.59
Lotus Butter	per lb.	$4.75	Carnation Milk	Lg. per tin	$1.18
Hazelwood Butter	„ „	$4.75	Martini & Ross Vermouth	per bt.	$9.35
Vitayna Margarin	„ „	$1.40	Booth's Old Tom Gin	„ „	$10.75
Parrot Margarin	„ „	$1.05	Caldbeck Tower Dry Gin	„ „	$5.50
S & W Coffee	1 lb. tin	$4.30	F.O. Glenlivat Whisky	„ „	$12.25
Maxwell House Coffee	1 „ „	$4.30	Johnnie Walker Whisky (Red)	„ „	$21.50
Lipton Tea (Yellow)	1 „ „	$9.75			
Lipton Tea (Green)	1 lb. pkt.	$6.60			
Holland Sugar	per bag	$4.50			
T. K. Granulated Sugar	10 lb. bag	$6.00			

COMPLETE PRICE LIST WILL BE SENT ON APPLICATION BY WRITING OR TELEPHONE.

FROM DAY TO DAY

THE King's Daughters' Society wish to express their gratitude to the Rotary Club for the gift of toys at Christmas.

A FAREWELL party was given by the staff-members of Messrs. Butterfield & Swire in honour of Messrs. Phillip Chen, clerk of the engineer's department and K. S. Chen, draughtsman of the works department at the Rose Marie Cafe at 7 p.m. on December 30.

SOUTH Queensferry, on the Firth of Forth, is taking advantage of the fact that there is a war on. Inns and boarding-houses are announcing "Bed and breakfast, excellent view of air raids from all rooms." The attraction is so potent that scores of would-be guests have to be refused.

THE new Director of Military Training, Major-Gen. Hugh R. S. Massy, is yet another Gunner and an old Bradfield boy. He has been very successful in training Anti-Aircraft groups and in identifying himself with the Territorial Army and the many new types of volunteers.

PAYING Tribute to officers and men at fronts in China, Manchoukuo and Mongolia, Emperor Hirohito with Empress Nagako, partook of New Year day meals which consisted of the game rations served to the soldiers. His Majesty greeted the new year at his Imperial General Headquarters.

THIS week's meeting of the Rotary Club of Shanghai immediately follows the New Year holidays, and will be held at the usual time at the Metropole Hotel, 1st Floor, tomorrow at 12.15 p.m. Speaker will be Mr. George B. Fryer, Superintendent of the Institution for the Chinese Blind. His subject will be "Work for the Blind in Shanghai and Abroad."

MR. Alexander Piskor, well-known Polish author and journalist, after a monthly stay in China is leaving Shanghai for Tokyo on January 2. Mr. Piskor arrived in China on December 6, and during his stay in Shanghai, Nanking and Soochow, gathered much valuable information for his book on Sino-Japanese problems. Mr. Piskor, after a short stay in Japan, will proceed to Manchuria and North China.

MR. George Sheeks, 19-year-old son of Mr. G. L. Sheeks and the late Mrs. Sheeks, former Shanghai residents, has been awarded a Washington State scholarship which will entitle him to four years study at Gonzaga College, Spokane, according to word received here. Mr. George Sheeks was one of the winners selected from among 2,000 young men in the State of Washington who competed for scholarships. He intends to study pre-medical sciences.

THREE robbers, one of whom was armed with an imitation pistol, were caught last night shortly before 7 o'clock after they had made a futile attempt to victimize two Chinese pedestrians, a male and a female, at the intersection of Kiaochow and Wutine Roads. They rushed at their intended victims who, seeing that the criminals only carried an imitation gun, raised an alarm. The men took to their heels and were eventually arrested.

MR. A. Douglas Cowburn, the South London coroner, who retired recently on reaching the age-limit of 70, is a former naval officer. He was in the R.N.V.R. during the last war, and served in a submarine for two years. One of his strongest beliefs—which he has always put into practice—is that a verdict of suicide should never be returned unless the evidence is capable of no other interpretation. He also has strong views on reckless motorists. The roads, he has often said, are not meant for speed. Mr. Cowburn was president of the Coroners' Society of England and Wales in 1935.

SIR Boyd Merriman is well fitted by appearance and manner, as well as by ability, to preside over the Prize Court which decides the fate of enemy ships and cargoes seized at sea. His tight-lipped mouth, hawk-like eyes, taciturn manner, and businesslike efficiency are all likely to impress foreigners with the machine-like impartiality of British justice. Sir Boyd is a Cheshire man who received his early training in the chambers of Lord Hewart when he practised in Manchester. He has twice been Solicitor-General, and has been President of the Divorce Division since 1933. He is the only judge to employ a woman as his personal secretary.

FEW may remember that Guy Fawkes Day—robbed this year of its fireworks and bonfires—figured until recent times in the Church calendar. A special service of thanksgiving, ordered by Parliament in 1605, was included in the Prayer Book until 1858. Nor is the religious observance of the event altogether a thing of the past even now, for Guy Fawkes sermons will have to be preached in accordance with the terms of endowments for that purpose. One was delivered at St. Peter's Church, Nottingham, to which a townsman, Peter Jackson, bequeathed, in 1630, 10s. per annum to provide for special sermons on Armada Day and November 5. Under a similar bequest to the Drapers Company a Gunpowder Plot Sermon has to be preached by the rector of Bow Church.

THE Missions to Seamen acknowledge with grateful thanks the following gifts during December: Books and Magazines from: "North China Daily News," "Shanghai Times," "China Press," "Lloyd's Register of Shipping," Masonic Club. Messrs. A. J. Pennecard, W. H. Widdowson, T. F. Fenton, W. C. Grant, W. J. Russell, R. F. C. Master, H. K. Peters, W. H. Kemp, G. E. Matthew, G. C. Shepherd, L. M. Wallawood, W. R. L. Bowley, Van Buskirk, A. E. Kyte, Valentine, F. S. Bridges, C. T. Crow, A. W. Gunn. Mesdames A. Ricketts, J. S. Hay, Petersen, W. C. Grant, W. J. Russell, C. Campbell, G. S. Weigall, Clifford G. Flook, Howells, F. W. Carey, F. Rayden, W. Smith, Benjamin, J. Saker, Meatheral and R. G. L. Shotter, Misses Harpham, Petersen and F. K. Perrin. Several anonymous donors. Card table from Mrs. C. Campbell and cigars. Clothes from Mrs. Carey. Cards from Mrs. I. M. Mackenzie and an organ from an anonymous donor.

The Old Year Flits Out Amid Joyous Scenes

Shanghai Celebrates New Year, Hogmanay, Chinese Anniversary in Royal Style; Lavish Spectacles

WHO said Shanghai was in the doldrums? Those "Dismal Desmonds" whose continual dirge it is these days that the city is finished, its spirit broken by the heavy hand of adversity, should have been abroad during the early hours of Monday morning to see Shanghai welcome the New Year. They would have been more than surprised. Rarely has the Shanghailander flung his worries—and he has had plenty during 1939—to the four winds with such abandon. If there was any reduced spending power in the town or if a cloak of depression had shrouded everyone and everything during the past twelve months, it was not evident to anyone who witnessed the traditional welcome ceremonies as 1940 came joyfully in. Cabarets and night clubs were thronged to the doors with noisy crowds of gay revellers. Elaborate and costly tableaux were staged to welcome the New Year. Everywhere joy reigned supreme. It was, indeed, a good sign for the future of the city.

While others spent the occasion in hilarious style there were those who preferred to see the New Year's entry in a quieter way. Many stayed at home, where private observances lacked none of the spirit of the more elaborate celebrations in the night spots. Holy Trinity Cathedral was, as usual, crowded with worshippers who attended the annual Watchnight Service. Conducted by Dean A.C.S. Trivett, this service included special hymns and prayers for the occasion and there were special anthems by the choir.

Not only did Shanghai welcome the coming of the New Year but there were two other celebrations which added to the lavishness of the festival—the Scotsmen celebrated Hogmanay and the Chinese community, with much enthusiasm, observed the 29th. anniversary of the establishment of the Chinese Republic. These three ceremonies combined saw Shanghai surpassing itself in providing its citizens with varied and magnificent entertainments, which will not conclude until tomorrow.

As in previous years the night spots of Shanghai catered for thousands of people. Amid brilliant scenes the New Year was heralded in at midnight to the sounds of "Auld Lang Syne" and other appropriate songs, and the gaiety continued until daylight came creeping in, heralding the time for departure to homes throughout the city.

Hogmanay

Indicative of the magnificence of the celebrations in the night spots were the various tableaux staged shortly before midnight on Sunday. No expense was spared and cabaret vied with cabaret in providing most lavish spectacles. Everywhere gaiety reigned supreme. There was no gloom abroad as 1940 came in.

Scotsmen throughout the town celebrated Hogmanay or New Year's Eve with their customary whoops and flings, and haggis appeared to grace many a table. Perhaps the gayest Scottish celebrants were members of the Seaforth Highlanders, who had special food and various entertainments provided for them as is the custom in all Scottish regiments at Hogmanay. In decorated billets they enjoyed themselves in true Scottish style and the Racecourse resounded to their noisy hilarity.

Chinese Celebrations

Chinese national flags were hoisted on many buildings in the Settlement and French Concession on Monday as the 29th. anniversary of the founding of the Chinese Republic, together with the coming of the New Year, was celebrated. Chinese amusement resorts, hotels, restaurants and cabarets were crowded throughout the day and huge throngs were abroad in the streets. All banks and large commercial houses were closed and these will not reopen until Thursday.

Shanghai's increased population and the quick development of many new industries since the hostilities around the city were concluded, were responsible for the extravagant way in which the Chinese community celebrated the holiday. Indicative of increased spending powers as a result of the advancement of these industries were the takings of Chinese places of amusement. These were higher than has been seen for a few years, one official stated.

Leaflets

The pro-Chungking press observed the holiday by publishing articles by Governmental heads in the wartime capital, while Mr. Wang Ching-wei's newspapers and some of the Chinese language Japanese newspapers carried articles by the proposed head of the new Central Government of China.

Members of the faction advocating peace with the Japanese were responsible for the distribution of many leaflets during the holiday period, these being handed out from cars in different parts of the two foreign areas. The leaflets, which were issued under the auspices of the "Political Training Bureau of the Purging Committee for Kiangsu, Chekiang and Anhwei," a Wang Ching-wei organization, urged guerillas to forsake Chungking and to return to their farms. The Shanghai Peace Movement Association also issued many pamphlets.

Hungjao Popular

Hungjao was very popular with members of the foreign community on New Year's Day. For those fond of riding there was a paper hunt during the afternoon, starting from Minghong Road, and this was well-attended. Others enjoyed the fresh air of the countryside by riding at a more leisurely pace, others were abroad on bicycles and there were countless others who enjoyed it all during brisk walks along the country lanes.

The cinemas reported excellent holiday business. These have been crowded since Saturday afternoon and they look like doing a record New Year holiday trade before Thursday arrives and Shanghai goes back to work. For the sports lovers there were plenty of games during the week-end and large crowds were present at the Racecourse and at the Canidrome where the big attraction yesterday was the first meeting this season between the Seaforth Highlanders and the unbeaten Lido XI.

The welcome to 1940 was a rousing one. Shanghai cast off its cloak of gloom and took on an air of gaiety. Everywhere there was increased spending. Both the Chinese and foreign communities celebrated in lavish style and happiness was everywhere. Although the future is still uncertain everything pointed to a better year than 1939.

In contrast with many other larger cities, the New Year celebrations in Shanghai were significant because of the fact that there were very few accidents during the holiday period. No serious mishaps occurred in spite of the heavy traffic and most of the ambulance calls received during the period were to remove sick people to hospital.

ELDEST daughter of the Viceroy of India and the Marchioness of Linlithgow, Lady Anne Hope was married in New Delhi recently. Her bridegroom is Lieut. P. H. J. Southby, R.N., son of Comdr. Sir Archibald Southby, M.P.

Capt. L. R. Carrel

Sentenced Prisoner Escapes from Jail

Makes Dash for Freedom After 8 Years' Sentence

The luckiest criminal in Shanghai during the New Year celebration is Wang Hsiang, who was sentenced last month to eight years' imprisonment by the Second Special District Court charged with defraud. He escaped just before the end of the year when the Settlement police were investigating him in connection with several other crimes committed in the Settlement.

Although Wang has escaped from the prison, thus enabling him to celebrate the new year freely, it may not be long for him to come into the clutches of the law again, for a warrant for his arrest has been issued by the First Special District Court. Mr. Chiang Po-li, Municipal Advocate, attached to the Settlement police has informed Judge Siao of the Settlement court of his escape. The trial has to be postponed.

The Sinza police recently knew that Wang had been sentenced by the Second Special District Court but when they were about to send him to the Settlement court for a trial he escaped. This happened on December 27 and the police are still looking for him.

The usual trick played by Wang, it is alleged, was to take diamond rings from jewellery shops and to present counterfeit bank notes or white paper in exchange. A shop at 308 Yu Yuen Road and another one in Bubbling Well Road have been defrauded that way. In the former case, three diamond rings worth more than $1,000 were taken.

Prince Olav Expresses Hope for Peace

Oslo, Jan. 2.

Prince Olav, in a broadcast last night to Norwegians at home and abroad, emphasized the seriousness of the international situation. He expressed the hope that the world would soon have peace again.—Reuter.

Death of Captain Louis R. Carrel

Coast Inspector and Head Of Customs Marine Dept. Dies at Country Hospital

Captain Louis Raymond Carrel, Coast Inspector and head of the Marine Department of the Chinese Maritime Customs, died at the Country Hospital at 6.40 a.m. yesterday following a short illness. Captain Carrel was born in Paris on March 15, 1884. After serving in the British Mercantile Marine he joined the Chinese Maritime Customs Service as a revenue cruiser deck officer in 1909. He was detached for service on the Yangtze River and appointed District River Inspector at Hankow in March, 1912, eventually becoming Lower Yangtze River Inspector in July, 1918. In December, 1929, he was transferred to Shanghai and was appointed Deputy Coast Inspector in June, 1930, succeeding Captain H. E. Hillman as Coast Inspector upon the latter's retirement in May, 1934.

In the capacity of Coast Inspector, Captain Carrel has rendered very useful service to the Chinese Government and to the shipping interests of all nations trading with China. He has been intimately associated with the development of the aids to navigation in the Yangtze River, notably the establishment of radio beacons at Shaweishan, North Saddle and Gutzlaff lighthouses in the estuary, thereby rendering it comparatively simple for vessels from North, East and South to make a safe landfall in all kinds of weather. When it was decided to make a much needed survey of Pratas Shoal, Captain Carrel took an active part in the operations.

China Delegate

Captain Carrel was a delegate of the Chinese Government on various occasions at international conferences at Lisbon, Berlin and other places on the Unification of Buoyage and Lighting of Coasts and Harbours. He held the Order of the Chia Ho, Fourth and Fifth Classes, the Order of the Wen Hu, Fourth Class, and the Single Rhinoceros Conservancy Medal, Second Class. He was appointed Technical Adviser to the Yangtze River Commission in 1933 and for several years was Chairman of the Pilotage Board of China.

He is survived by his widow and daughter, Miss Joan Carrel, in Shanghai and three sons, one in Sussex, one in Zanzibar and one in Kuala Lumpur.

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COMMERCE AND FINANCE

The Situation in Shipping

Survey of World Tonnage at Outbreak Of War; U.S. Shipbuilding Programme

THE outbreak of war in Europe has focussed attention upon shipping and raised a question as to how far difficulties experienced during the last war may be repeated. While it is still too early to give final answer to this question, practically over night the problem of dealing with a surplus of tonnage has become one of overcoming a shortage caused by the laying up of many ships in home and neutral harbours and by the diversion of others from regular trade routes. Reflecting both the suddenly developed shortages and higher labour, insurance and other costs under war conditions, freight rates have soared, advancing 100 per cent. or more in some cases, with passenger rates also sharply higher.

In view of the importance of shipping to the continuance of international trade, a brief review of the shipping situation at the outbreak of war is pertinent, says the National City Bank, head office monthly "Economic Bulletin."

To begin with, what is the present size and distribution of world merchant tonnage, and how do the figures compare with those of 1914?

WORLD MERCHANT MARINE 1914-1939
(Thousand of Gross Tons—Steam and Motor Vessels 100 Tons and More)

	Existing Tonnage June 30 1914	Existing Tonnage June 30 1939	Launchings 1914	Launchings 1939
Belligerents				
U.K.*	18,892	17,891	1,684	1,030
British Dominions	1,631	3,111	47	30
France	1,922	2,934	114	41
Allied Powers	22,445	23,936	1,845	1,107
Germany**	5,135	4,483	367	481
Neutrals				
United States—				
Sea-going	2,027	8,910	163	163
Lakes	2,260	2,452	37	38
Total	4,287	11,362	200	201
Norway	1,957	4,835	54	56
Italy	1,430	3,425	43	94
Netherlands	1,472	2,970	118	240
Greece	821	1,781	....	....
Sweden	1,015	1,577	15	166
Denmark	770	1,175	32	158
Japan	1,708	5,630	86	442
All Others	4,364	7,335	73	90
Total Neutrals other than U.S.	13,537	28,728	421	1,245
Grand Total	45,404	68,509	2,853	3,034

†All vessels. *Including Ireland. **Including Danzig. Source: Lloyd's Register of Shipping.

As indicated by the table, the total world merchant fleets on June 30, 1939, aggregated 68,500,000 gross tons, which was about 50 per cent. larger than the 45,400,000 gross tons in 1914. Tanker tonnage alone increased eightfold.

Tonnage of the United Kingdom and the British Dominions, while far larger than that of any other country, was but little larger than in 1914; and if Canadian lake vessels are excluded was probably about the same as in 1914. The great increase that has taken place in over-all tonnage has been in the fleet of the neutral countries, particularly those of the United States, Norway, Italy and Japan. Taking the neutral countries together, their tonnage is more than double that of 1914.

Not only has the total tonnage greatly increased, but its efficiency has been enhanced by newer vessels with greater speed and generally improved operation. Allowing for this and for the fact that physical volume of world trade has risen probably not more than 20 per cent. since 1914, it would appear that the shipping industry is far better shape to cope with abnormal war demands now than it was then.

The Questions of War Losses

To what extent this will prove to be the case cannot be foretold with certainty, owing to many conditions not now measurable.

There is, for example, the question of losses due to mines, submarines and other commerce raiders. During the last war vessels lost through enemy action totalled approximately 6,600, aggregating 12,850,000 gross tons, or more than a fourth of the original tonnage of June 1914. Losses were heaviest in the Spring of 1917, following the announcement by Germany of unrestricted submarine warfare. They reached peak in April of that year, when some 866,000 tons were sunk, but following the introduction of the convoy system in May, declined steadily and by the Spring of 1918 were being counterbalanced by new launchings. Of a total of about 90,000 vessels under British convoy during the war, losses amounted to only 436.

During the first two months of the current war, including the period before the convoy system could be put into operation, reported losses of merchant ships were 91 ships, aggregating 370,000 tons, of which 49 ships of 229,000 tons were British. While this is larger than the 1914-15 rate of sinkings, it is far below the maximum rate of 1917, and less than the present rate of world launchings running above 200,000 tons per month.

Influence of Tie-up Tonnage

More important than actual sinkings to date has been the impairment of world shipping facilities due to detention of vessel in harbours and to lessened efficiency of fleets operating under war conditions. The German fleet, of course, is out the picture as far as areas outside the Baltic are concerned, while both Great Britain and France have withdrawn some of their largest liners from regular service and have in addition requisitioned considerable tonnage as troop ships or as naval auxiliaries.

Efficiency of shipping is unavoidably impaired by the convoy system, first, because of the delay incident to assembling the convoy, and, second, because of the reduction of the speed of the convoy to that of the slowest ships.

Efficiency suffers also from the disruption of normal trade routes, due to blockades and danger zones, with the result that cargo often has to be carried longer distances, which of course ties up more ships. At the present time, for example, much of the shipping that normally comes by way of the Suez Canal and the Mediterranean from the Far East is being diverted around the Cape of Good Hope.

Belligerent countries naturally are likely to feel the pinch of any shipping shortage more acutely than other important maritime nations. With about a million less tonnage than in 1914, Great Britain has about 30 per cent. more physical volume of foreign trade and must feed some 4,000,000 more people accustomed generally to a higher standard of living. In point of numbers, the British merchant fleet is some 2,000 fewer than in 1914, due partly to the building of larger ships.

Notwithstanding the failure of British tonnage to keep pace since 1914, launchings last year were 40 per cent. smaller than pre-war, but this is now being remedied, a programme of intensive new construction having been started last Spring under governmental assistance.

Availability of Neutral Tonnage

Still third question relates to the availability of neutral tonnage, more particularly as regards voyages to European ports.

In the case of Japan—one of the countries showing the largest increase in tonnage since 1914—the requirements of the war in China, together with the growth of Japanese coastal trade and trade within the yen bloc, have imposed a severe strain upon Japanese shipping with the result that, far from having any surplus to spare, Japan has had to charter additional foreign tonnage.

The United States, of course, shows the largest increase of all countries in tonnage compared with 1914. Excluding Lake vessels, the seagoing American tonnage more than quadrupled, rising from a little over 2,000,000 to nearly 9,000,000.

The greater part of American shipping is engaged in coastwise trade, divided about half and half between tankers and other vessels. Something over 2,000,000 tons was employed last June in foreign trade, and approximately 1,700,000 tons was laid up. American overseas tonnage has, indeed, undergone a large increase since 1914, the total of 319 ships of over 2,000,000 tons comparing with less than 100 ships of about 500,000 tons twenty-five years ago.

Almost Obsolescent

Including laid-up and coastal tonnage, the United States possesses a large quantity of shipping that doubtless could be employed to a greater extent in carrying foreign trade. Most of this tonnage, however, like a great part of the remaining American merchant marine, was built during or immediately after the last war, and in view of the technical advance since then in construction and motive power of vessels, must now be considered in obsolescence.

Moreover, the availability of American shipping is dependent upon American neutrality policies with respect both to types of cargo and permitted areas of operation. Thus, it has been estimated that under the neutrality act revision bill now pending before the United States Senate, the terms as originally proposed might have affected and rendered idle over 130 vessels of more than a million gross tons—fully one-half of our existing merchant fleet in foreign trade. While the more recent tendency has been to liberalize these terms, nevertheless even under the bill as finally voted by the Senate the barring of our vessels from belligerent ports in Europe and possibly from European waters generally threatens to immobilize a very important segment of our shipping unless opportunities can be found for its employment elsewhere.

U.S. Shipbuilding Programme

Ever since the last war the American merchant fleet has been operating under difficult conditions due to general excess of world shipping facilities and to our high costs in relation to other countries, so that its modernization has been dependent to a large extent upon government aid. As the international situation became more strained, Congress embarked upon a more aggressive shipping policy with the view to assuring us an adequate merchant marine in the event of war and for serving as an auxiliary to the Navy. It was stated in 1937 by the Maritime Commission that requirements for national defence called for at least 1,000 auxiliary vessels against which we had 1,400 usable seagoing craft, including those laid up, leaving only 400 vessels available for foreign trade in case of war involving us.

Consequently, under the Merchant Marine Act of 1936, as subsequently amended, a systematic long-range programme of building modern, and retiring obsolete, ships was worked out, which has the government financial aid on account of its contribution to the national defence. The Act is being administered by the Maritime Commission, now under the chairmanship of Rear Admiral S. Land (retired).

Responding to the emergency created by the war, the Maritime Commission in September asked for bids on 33 additional cargo or combination passenger-cargo vessels of 6,000 to 8,000 gross tons each, at an estimated cost of around $2,000,000 apiece. On October 26, the total of new ships contracted for under the building programme, either for the Commission's own account or in conjunction with private operators, was 141 and the total cost in excess of $300,000,000. Thus far 26 of these ships have been launched. The S.S. America, which was contraced for in the Fall of 1937 and was launched this Fall, is the largest passenger vessel ever built in this country—costing approximately $17,000,000, and having a gross tonnage estimated around 30,000 and speed of 22 knots.

The latest contracts will carry the new building programme well ahead of its original schedule of 50 ships a year and will further increase activity in American shipyards, already at comparatively high levels. On October 1, American yards were building, in addition to their increased work for the Navy, 130 seagoing merchant vessels, aggregating 1,029,000 tons, which compared with 53 vessels aggregating 438,000 tons one year previous and were the largest since 1921. The resultant rise in employment, and in expeditures for a great variety of materials and supplies, has brought shipbuilding again to the fore as one of our most active industries.

Customs Revenues For Last Year

Receipts $77,000,000 Greater Than in 1938; Few Foreign Loans Serviced

The following statement of Chinese Maritime Customs Revenue collection for 1939 was issued yesterday by Sir Frederick Maze, Inspector-General.

The Customs Revenue for 1939, composed of import and export duties, interport duty, tonnage dues, flood relief surtax and Revenue surtax, amounted to $331,320,000, approximately, as compared with $254,570,000 for 1938.

The contributions under each heading towards this total, as well as the corresponding figures for 1938, are shown below:—

	1939 C.G.U.=$	1938 C.G.U.=$
Import Duty	93,160,000	69,970,000
	237,830,000	183,960,000
Export Duty	17,420,000	16,530,000
Interport Duty	40,660,000	55,840,000
Tonnage Dues	3,660,000	2,910,000
Flood Relief Surtax		
On Import Duty	4,660,000	3,500,000
	11,880,000	8,920,000
On Export Duty	1,070,000	1,140,000
Revenue Surtax		
On Import Duty	4,660,000	3,490,000
	11,880,000	8,020,000
On Export Duty	1,070,000	1,150,000

Of the total import duty collection of C.G.U.93,160,000, 6 per cent., as against 17 per cent. in 1938, was collected in actual gold unit drafts or notes and the balance was collected in local currency according to exchange rates ruling on the date of payment of duty.

The collection made at the principal revenue-producing ports during 1909, and the respective increases or decreases when compared with the collections for 1938, are given hereunder in order of collection:—

Port	Collection 1939	Increase or Decrease
Shanghai	166,800,000	+81,890,000
Tientsin (including Peiping Office)	67,590,000	+11,150,000
Tsingtao	28,450,000	+19,580,000
Swatow	8,130,000	− 1,500,000
Mengtsz	7,550,000	+ 3,130,000
Lungchow	7,320,000	+ 7,140,000
Chinwangtao	6,350,000	+ 1,810,000
Lappa	4,780,000	+ 3,170,000
Chefoo (including Lungkow and Weihaiwei)	4,740,000	+ 720,000
Foochow	4,490,000	− 920,000
Ningpo	3,720,000	+ 190,000
Luichow	3,460,000	+ 1,480,000

Foreign Loans Service

The full monthly instalments payable in January and February in respect of the Anglo-German Loan of 1898, amounting to $2,379,678.60 in all, were specially authorized for payment in order to cover the interest and amortization payments due on that loan on 1st March 1939. Apart from those instalments, no other payment, made from the Customs revenue collection in respect of the above-mentioned loan or of the Boxer Indemnity obligations or the 1913 Reorganization Loan. Quotes representing the share of the estimated cost of the service of those obligations, based *pro rata* on the revenue collection of each port to that of all China, were, however, provided in full from the ports in the areas under the Chinese Government's control and placed on deposit in special accounts with the Central Bank of China. The total amount so deposited during the year was $12,850,264.19.

The service of the Consolidation Note of the American Wheat and Flour Loan of 1931 and American Cotton and Wheat Loan of 1933 according to a revised schedule was met in full from the collection of Flood Relief Surtax, at a total cost of $3,863,594.86 of which $1,916,538.37 was provided from collection made at ports in areas under the Government's control and $1,947,056.49 from balances in hand on January 1, 1939.

Internal Loans Service

No payments were made to the National Loans Sinking Fund Administrative Commission from the revenue collection on account of the service of Internal Loans secured on the Customs Revenue, but part of the quotas due from ports in areas under the Chinese Government's control was set aside by using the balance left from revenue remittances received from those ports after provision had been made for prior obligations. The total so set aside was deposited in special accounts with the Central Bank of China, and amounted during the year to $15,161,300.87. Obligations affected under this heading include (1) the 25th Year Consolidation Loan of $1,460,000,000, (2) the 25th Year Recovery Loan of $340,000,000 and (3) the 17th Year Long-term Currency Loan of $45,000,000.

It should be noted that, subsequent to the seizure in mid-1932 of the Customs establishments in the North eastern Provinces, no quota has been made available to the Chinese Government from that region (including the Customs at Dairen) towards the payment of the various Loan and Indemnity obligations secured on the Customs Revenue. Nor has any loan quota been received during the year from other regions in Japanese military occupation.—Kuo Min.

Sale of American Ships Approved By Commission

Washington, Jan. 1.

The Maritime Commission today approved the sale of eight American merchantmen of the United States Lines to the Norwegian company, North Atlantic Transport Company.

Among the vessels sold are the President Harding. American Shipper, American Traveller and American Importer. These vessels, it was understood, will be placed on the New York-London-Liverpool run with stopover at Boston on the westward trip.

All eight ships will fly the Norwegian flag and will be subject exclusively to Norwegian laws and rulings, the Maritime Commission emphasized.—Havas.

Manila Gold Shares

(Bids in Pesos)

Jan. 2.	Big a.m. Closing		Prices p.m. Closing	
Atoks	.21	S	.225	S
Antamok	.17	S	.17	S
Baguio Gold	.19	S	.20	S
Batong Buhay	.014	S	.014	S
Benguet Consolidated	5.70	S	•——	
Big Wedge	.245		.255	S
Coco Grove	.17	S	.17	S
Consolidated Mines	.004	S	.0045	S
Demonstration	.135	S	.14	S
East Mindanao	.125	S	.125	S
I. X. L.	.395		.405	S
Ino Gold	.145		.145	
Itogon	.325	S	.32	S
Mambulao Consolidated	.017		.017	
Masbate Consolidated	.12	S	.115	S
Mine Operations	.115	S	.115	S
North Camarines	.165		.165	S
Paracale Gumaus	.195	S	.195	S
San Mauricio	.94	S	.05	S
Surigao Consolidated	.19		.19	
Suyoc	.14		.145	S
Syndicate Investment	.025		.026	
United Paracale	.345	S	.35	S
Mindanao Motherlode	.095		.085	S
Turnover for the Morning: Pesos.			439,900	

Shares Index: (Morning Session) 83.19. S—Sales.—Reuter.

The War And British Banking

Likely to Develop a More Mechanistic System In Which Units Will Be Fewer and Larger

NO comparison with the past can teach us much about the prospect for British banking during and after this war. Hitherto the essential feature of banking development in England has been its slow growth and gradual adaptation to changing conditions in the world in which it has had to function. Even during the war of 1914-1918 there was no real disturbance of this traditional process of evolution, except perhaps a hastening of the forces which had for long been working towards greater integration in the structure of British banking. "Business as usual" remained the motto for banking as for every other part of our economic machine during the last. The orgy of mammoth amalgamations which occurred towards the end and immediately after the war were not a direct product of it. Some such concentration of forces among joint-stock banks would have occurred, war no war. The conflict, then, left the organization of British banking fundamentally unchanged.

The return to an orthodox gold standard was a symbol of the cancellation of anything abnormal which the war might have introduced into our currency and credit system. The position of the Bank of England in its relation with the Government and as controller of currency and credit was during the 1920's essentially what it had been before 1914. The organization of commercial banking in this country remained equally undisturbed. Joint-stock institutions, merchant banks, discount houses, all continued to perform functions roughly similar to those which they were performing before the outbreak of hostilities. The most discernible change in the distribution of these functions was a tendency for the clearing banks to encroach on business which had previously been the preserve of the private and merchant banks—foreign exchange and acceptance credits. But these changes were mere ripples in the evolutionary process, states "The Economist."

Position Today

Today the position is altogether different. We are no longer in a period of dignified evolution. The changes in our financial system which have occurred over the past ten weeks are revolutionary, in the full sense of the word. We have within this short period travelled most of the way from a free to a rigorously controlled economy. From the banking point of view, this change has been most apparent in the new control of the foreign exchange and capital markets. But this tradition has found its counterpart in most other facets of our economic system—in the commodity markets, in our industrial organization, in the world of insurance. It is still too early to estimate whether we can as an economic unit ultimately reverse the trend towards increasing controls and State interference in which we find ourselves. But we can already discern some of the permanent effects which this revolution is having on our banking organization.

Foreign Exchange

At the apex of the banking system, evidence of the new omnipotence of the Government is steadily accumulating. With the introduction of a complete official control of the foreign exchange market the directive power in monetary policy has finally switched to the Treasury. The broad lines of exchange policy are now devised and amended as occasion requires, by a Treasury committee on which the Bank of England is represented, but in the rôle of a minority. The Bank is the instrument through which the policy framed in Whitehall is put into operation, and admittedly a considerable power is vested in the few individuals charged with the task of interpreting policy and applying it to the concrete cases placed before them. But that initiative is being exercised, on the whole, with a regard for bureaucratic standards which would be rated high at the Treasury. If a symbol of this transition of power were needed it would be found in the concentration of the whole of our gold reserve into the hidden resources of the Exchange Equalization Account.

Treasury and Bank Policy

The subservience of credit policy to the requirements of the Treasury goes hand in hand with the official control of the exchange and capital markets. The expansion of bank cash which has occurred since the outbreak of war and the evident synchronization of Bank rate policy with the Treasury's borrowing programme may be regarded as the expression of the Treasury view put into effect by the smooth and willing co-operation of the Bank of England. In other words, the directive functions of the Treasury and the executive functions of the Bank have recently become more and more part of the same machine of currency and credit control. That fusion of the two organisms has already gone further in ten weeks of war than it did at any time during the war of 1914-1918. The guess can, moreover, be hazarded that there will be no parallel after the end of this war to the temporary reaction from the centralization of financial power which occurred during the 1920's.

The clearing banks are bound to react to the Government control, which is steadily extending over our financial and commercial system. The control of the foreign exchange markets has already reacted appreciably in their favour. The clearing banks, by reason of their branch representation all over the country, have been chosen by the authorities to act as authorized dealers in foreign exchange business. This has diverted to these institutions a good deal of business which, in the normal course, would have gone to the private and overseas banks which in the past have specialized in foreign exchange work. We may assume that if an official control of the foreign exchange market is to be a permanent part of our financial machinery, the clearing banks, given their direct contact with the industrial and commercial clientele, will continue to provide the mechanism by which all traffic in foreign exchanges to and from the official control will be canalized. As a relative factor in profits, however, this diversion of foreign exchange business is likely to affect the losers more than the recipients.

Domestic Banking

In their more normal domestic banking activities the clearing institutions are likely to see the result of increasing State control in a diminution of the demand for advances and probably in a corresponding increase in the supply of Government securities—both long and short. The decline in the commercial and industrial demand for bank accommodation is a trend of already long standing. It derives much of its force from the concentration movement in British industry and from the greater financial self-sufficiency which has been attained by our giant combines. These mammoths are so capitalized and financially so managed as to be far less dependent on banking credit facilities than were their component parts in the days of their autonomous existence. That independence of bank advances must be increased as a result of the Government control of large branches of industry and of important commodity markets. Stocks of controlled raw materials which previously were financed, in the normal course, by bank advances and acceptance credits, will now find their financial support in the borrowing operations of the Government. From the banks' point of view, this will mean a diversion of assets from advances and commercial bills to Treasury bills and medium-term Government loans. It does not take much imagination to visualize the general character of such a trend It is one which must make for a more mechanical type of banking, for a diminution in the exercise of initiative, of judgment in the granting of credit, of all the qualities which had come to be regarded as the special attributes of the sound and intelligent banker. The big banks will, of course, continue their function of providing repositories for funds which must be kept liquid and for the savings entrusted to deposit accounts. By their current accounts and clearing machinery, they will continue to provide an elaborate and extremely efficient system for the transmission of credit in this country. But as regards the more active and positive aspects of their business, the forces set in motion by the war are likely to make for a certain stereotyping and for simplification in the range of activities, which, if carried to extremes, might increase the temptations of a future Government to round off the process by nationalizing the whole system.

Discount Market

The symbol of the all-pervading Treasury bill is even more applicable to the discount market. The market should do well out of the expansion in the floating debt which is bound to occur in the course of financing the war. That expansion is likely to do more than neutralize the further falling-off in genuine commercial paper caused by the war and by Government financing of trade in essential commodities. Moreover, the discount houses, which have already become so essential a part of the gilt-edged market, are not likely to miss the opportunities for active and profitable jobbing which the Government's loan operations are bound to provide. But this increasingly exclusive concern with homogeneous Government paper must sooner or later influence both the personnel and structure of the discount market. It is likely to make for further concentration of forces, and the amalgamation movement, of which ample evidence has appeared in recent years, is likely to make further headway as opportunities connected with the individual affairs of each firm occur.

International Business

The merchant banks and acceptance houses constitute a group for which the developments set in motion by the war bear little promise. Their foreign exchange business, where their supremacy in the London market was assured, is gradually but inexorably being diverted to the clearing banks as a direct result of the foreign exchange control regulations. Their new issue business is at a standstill and will remain there as long as the official control of the capital market is worked on its present lines. International acceptance business must be seriously encroached upon by the intrusion of the Government in the commodity markets. Foreign exchange control must eventually involve the virtual disappearance of security arbitrage business, which in the past provided such firms with an important and interesting source of income. Bullion arbitrage has already disappeared. Moreover, certain of these houses are being called upon to nurse losses due to old-established standstill commitments in Germany or to defaults on Polish and other credits. In this group of banks the impact of the war is also likely to make for amalgamations. The private banks, and the subtle, delicately balanced international activities in which they find their typical employment, represent a conception of economic organization which accords ill with the heavy-handed bureaucratic control of our financial system which the war has unfortunately but inevitably brought in its wake.

If our banking organization is viewed as a whole, it appears therefore as though the forces of control and State interference let loose by the war must make for a more mechanistic system in which units will tend to become fewer and larger, in which individualism and private initiative will tend to be crushed by the bureaucratic machine.

Silver Quotations

London, Jan. 2.

Silver prices declined considerably today, with quotations being fixed as follows:—

	Dec. 29	Jan. 2
London spot	22½d.	22d.
„ forward	22 11/16d.	22 5/16d.
„ gold	168/−	168/−

—Reuter.

Currency Situation In Canton Serious

Shortage of Dollar Notes Seriously Affecting the Poor; Prices Rising

Canton, Jan. 2.

The currency situation is causing considerable concern here. Shortage of single dollar notes, in both National and Kwangtung currency, is seriously affecting the poorer classes in the city.

Money changers refuse to change five or ten dollar bills except at a heavy discount, sometimes as much as 50 per cent, while many shops have closed their doors sooner than be burdened with these notes.

It has now become almost impossible to make purchases under five dollars. In addition, prices for all commodities have been raised by more than 50 per cent.

Military Yen

Originally it was thought that an attempt was being made by the authorities to get the populace to use only military yen, but recently these notes depreciated sharply in terms of National and Kwangtung currency. From the fairly steady rate of around N$147 to 100 military yen, the rate dropped overnight to N$127, causing further confusion.

Farmers Hoarding Notes

Foreign circles are of the opinion that the shortage of notes of small denomination is only natural. They believe that farmers from the surrounding countryside have been receiving dollar bills for their products in past months, and, instead of putting them into circulation here, returned to their homes with the money—some to unoccupied areas.—Reuter.

American Railways Benefit by War

Will Have Net Income of $95,000,000 Instead of a Big Deficit in 1938

Washington, Jan. 1.

Mr. J. J. Pelley, president of the Association of American Railways, estimated yesterday that American railways would have a net income of $95,000,000 for 1939 as compared with a net deficit of $123,471,074 in 1938 and about the same in 1937.

In his near-end report Mr. Pelley called for the incoming Congress to establish a unified transportation policy placing all types of carriers on an equal footing.

Freight Traffic

Freight traffic, Mr. Pelley reported, is now higher than at any time since 1936 with roads reporting freight traffic ten per cent. higher than this time a year ago and 18 per cent. in excess of 1937 levels.

Since the European war broke out, Mr. Pelley reported, traffic jumped 25½ per cent. with employment in the industry rising to 1,055,164, the highest since November, 1937, and 80,000 above October, 1938.—United Press.

Japanese Overseas Shipping Gains

Kobe, Jan. 2.

Japanese shipping began to benefit from the European conflict only after the middle of November, a survey by the Kobe Shipping Exchange showed today.

On Dec. 15, the Exchange reported, 1,229,000 tons, deadweight, of Japanese shipping were plying the seas. Gains began to be recorded from Nov. 15 to Dec. 15 when Japanese vessels on overseas routes increased by 230,000 tons, the Exchange said. A portion of this growth, the survey declared, was seasonal, although Japan had been able to place more ships on overseas routes by launching new vessels, repairing old ships and because of the expiration of character contracts which had kept ships in the coastal service.

The outbreak of the war in Europe brought no immediate increases in Japanese tonnage abroad, although a growth in the tonnage was noted from the period shortly before the hostilities began and Oct. 10. From the middle of October to mid-November there was no abnormal activity in spite of the withdrawal of large numbers of German and British ships from the sea routes of the world, the survey stated.—Domei.

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From Kobe
HEIAN MARU ..... Jan. 23
HIKAWA MARU ..... Feb. 9

Orient-New York Line
via Los Angeles and Panama
SAKITO MARU .... Jan. 30

Japan-Australia Line
via Hongkong and Manila
From Nagasaki
KITANO MARU ..... Jan. 22
KAMO MARU ..... Feb. 19

European Mail Line
Naples, Marseilles and Liverpool
via Hongkong and Straits
HAKOZAKI MARU .. Feb. 4

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*HARALDSVANG .... Jan. 8
Singapore, Colombo, Bombay, Kundla and Karachi
NAGATO MARU .... Jan. 2
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from Yokohama
YASUKUNI MARU .. Jan. 4

For Japan
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HAKOZAKI MARU ... Jan. 2
SUWA MARU ..... Jan. 24

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ms. DONA AURORA	—	—	—	—	Jan. 1	Jan. 5
ms. SORHOLT	Dec. 30	Jan. 19	Jan. 22	Feb. 15	Feb. 18	Feb. 21
ms. REINHOLT	Jan. 27	Feb. 15	Feb. 18	Mar. 13	Mar. 16	Mar. 19
ms. DONA ANICETA	Feb. 18	Mar. 11	Mar. 14	Apr. 6	Apr. 9	Apr. 12

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ms. DELHI	—	Dec. 31	Jan. 2	Jan. 5	Jan. 9	Feb. 20
ms. AGRA	Dec. 23	Jan. 14	Jan. 16	Jan. 19	Jan. 24	Mar. 6
ms. CANTON	Jan. 27	Feb. 18	Feb. 20	Feb. 23	Feb. 27	Apr. 9

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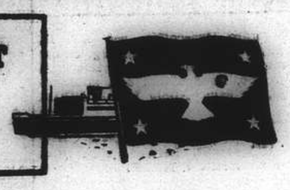

ss. PRESIDENT COOLIDGE
Sailing for HONGKONG and MANILA
Last tender leaves Customs Jetty 12.30 p.m.
TO-DAY, January 3

Leave Shanghai		Leave Shanghai	
PRES. COOLIDGE	Jan. 16	PRES. COOLIDGE	Mar. 12
PRES. TAFT	Jan. 29	PRES. TAFT	Mar. 25
PRES. CLEVELAND	Feb. 12	PRES. CLEVELAND	Apr. 8
PRES. PIERCE	Feb. 26	PRES. PIERCE	Apr. 22

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TOA K. K.

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	Arrival	Departure
NAGASAKI MARU	Jan. 1	Jan. 2 at 9 a.m. (Yangtszepoo Wharf)
SHANGHAI MARU	Jan. 5	Jan. 6 at 9 a.m. (Yangtszepoo Wharf)
NAGASAKI MARU	Jan. 7	Jan. 8 at 9 a.m.
SHANGHAI MARU	Jan. 9	Jan. 10 at 9 a.m.

Kobe Express Service

TAIYO MARU	Dec. 30	Jan. 2 at 9.30 a.m.
TAIYO MARU	Jan. 12	

For passage apply to the ticket office of Toa Kaiun Kaisya at Astor House Hotel. Telephone 45297, 42350, 42359

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Further particulars of arrivals and departures on application

The vessels have accommodation for a limited number of passengers. Passage fare £87-0-0. to Rotterdam

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HAWAII MARU ..... Jan. 5
For Bombay
SUMATRA MARU ..... Jan. 23
LONDON MARU ..... Feb. 11
For Calcutta
ARGUN MARU ..... Jan. 12
BORNEO MARU ..... Jan. 24

Nagasaki Sailings
For Manila, Cebu and Davao
TAKAO MARU ..... Feb. 1
MEXICO MARU ..... Feb. 5
Keelung Sailings
For Haiphong, Saigon and Bangkok
BANGKOK MARU ..... Feb. 3
Kobe Sailings
For Australia and New Zealand
TOKYO MARU ..... Jan. 31
For West Africa
*ALASKA MARU ..... Jan. 14
*Cargo only

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20 Canton Road Telephone 15324

Due at Future Dates

All vessels are listed under their terminal port. The first date is that of the ship's departure from that port, and the second is the date she is due to arrive in Shanghai Where a ship's name is duplicated it indicates the port of call last visited.

On account of the present international situation there is considerable interference with movements of ships, especially those from Europe. In cases where it is definitely known that the vessel is not running to schedule the Shanghai arrival date is omitted.

EUROPE AND STRAITS

From LISBON		From SOERABAYA	
Torfens	10/12 30/1	Tjisadane	22/12 9/1
From TRIESTE		Tjinegara	29/12 15/1
Fushjama	21/11 10/1	From BATAVIA	
C. Verde	21/12 17/1	Tjinegara	2/1 15/1
From KARACHI		From HONGKONG	
Fushjama	16/12 10/1	See "China Ports" below.	

AMERICA AND JAPAN

From NEW YORK		From PORTLAND	
Vigrid	10/10 7/1	Agra	23/12 14/1
D. Aurora	— 5/1	From KOBE	
L. Maersk	25/11 10/1	Taiyo M.	10/1 12/1
A. Maersk	9/12 24/1	From NAGASAKI	
Sophocles	24/12 14/2	Shanghai M.	4/1 5/1
From LOS ANGELES			
L. Maersk	16/12 10/1		

AFRICA AND AUSTRALIA

From CAPETOWN		From MAURITIUS	
Tegelberg	15/12 22/1	Tegelberg	25/12 22/1

CHINA PORTS

From DAIREN			
Tsingtao M.	3/1	5/1	

Vessels Discharging

DARDANUS. From New York arrived on Dec. 30, and is discharging her cargo at Holt's Wharf, Pootung. Consignees are requested to send in their Bills of Lading for countersignature. Consignees of "Bulk Cargo" are further requested to send their representative to the Wharf to verify the weight of such cargo whilst being landed. Free storage period expires on January 8, 1940. Damaged cargo will be examined in the presence of a Customs Officer on Friday, January 5, at 10 a.m. Claims must be presented within 15 days of vessel's arrival. No insurance effected. Butterfield & Swire, Agents. 3-1

GLENSTRAE. The M.V. Glenstrae from London and ports. This vessel has now discharged all her cargo (except Opium and Munitions of War), at the Holt's Wharf, Pootung. Consignees are requested to send in their Bills of Lading for countersignature, and take immediate delivery of their cargo, (Consignees of "Bulk Cargo, will further be required to send their representatives to the Wharf to verify the weights of such cargo whilst it is being landed). All claims against this vessel must be sent in within fourteen days from date of vessel's arrival, or they will not be recognized. All risk of Fire at the Wharf and Godowns to be borne by the Consignees of cargo. Examination of broken and shipdamaged cargo will be held at the Holt's Wharf on 4th January, at 10 a.m., Jardine Matheson & Co., Ltd. Agents. 4-1

Vessels Sailing

The undermentioned vessels are due to sail from Shanghai upon the dates indicated.

For LIVERPOOL		For NEW YORK	
Kasima Maru	5/1	Nagara Maru	3/1
For COPENHAGEN		H. Maersk	15/1
Triton	29/1	Tamesis	22/1
For GENOA		For SAN FRANCISCO	
C. Verde	21/1	P. Coolidge	16/1
For CALCUTTA		Arga	16/1
Matue Maru	6/1	P. Taft	29/1
For CAPETOWN		For NAGASAKI	
Tegelberg	24/1	Shanghai Maru	6/1
For JAVA		Nagasaki Maru	8/1
Tjisadane	11/1	Shanghai Maru	10/1
Tjinegara	18/1	For DAIREN	
For MANILA		Hoten Maru	4/1
P. Coolidge	3/1	Tsingtao Maru	7/1
		Dairen Maru	10/1
		Hoten Maru	13/1

Vessels Leaving

NORTH CHINA COAST

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TJISAROEA Jan. 6. HONGKONG, MANILA, HAIPHONG and JAVA PORTS.—The J.C.J.L. s.s. Tjisaroea sails from Shanghai on Saturday, January 6, to Hongkong, Manila, Haiphong and Java Ports. Excellent passenger accommodation. Through tickets issued to European and Australian Ports. For particulars apply to the Java-China-Japan Lijn Agentschap Shanghai N.V. Brunner Mond Building, 133 Szechuen Road. Tel. Nos. 16247 (4 Lines). 5-1

Weather, Time and Tide

Wednesday, January 3, 1940 (24th day of 11th moon)

	SICCAWEI			
	Jan. 1		Jan. 2	
	16.00	21.00	4.00	9.06
Barometer inches	30.31	30.33	30.27	30.27
at 32 F. (variation for 24 hrs.)	+0.04	0.00	—0.08	—0.15
at 32 F. (,, ,, 12 hrs.)	—0.04	—0.09	—0.04	—0.06
Wind (direction)	E	ESE	WSW	SW
,, (miles per hour)	4.3	7.4	10.6	7.4
Temperature (Fahr.)	53.8°	39.9°	34.2°	38.8°
Humidity %	54	92	98	82
Nebulosity (0 to 10)	1	0	0	3
Rainfall inches	—	—	—	—

Siccawei Abridged Report January 1	Mean 1939	24 hrs. variation	66 years average
Barometer (mean 4 obs.)	30.35	+0.04	30.33
Temp. Min. 30.°0 Max. 59.°5	44.°8	0.°0	37.°8
Total rainfall January 1 to midnight before last (inches)	—	—	0.04

Time and Tide	3/1	4/1	5/1	6/1	7/1
Sun rises at Shanghai ..	6.53	6.53	6.54	6.54	6.54
Sun sets at Shanghai	17.03	17.04	17.05	17.05	17.06
Moon rises at Shanghai ..	0.31	1.33	2.34	3.34	4.31
Moon sets at Shanghai ..	12.12	12.55	13.39	14.27	15.17
Flood makes Shai. 6 to 18	16.58	18.04	6.43	7.40	8.26
Ebb. makes Shai. 6 to 18	9.22	11.08	12.23	13.39	14.25
H.W. W'sung Bar 6 to 18	6.40	8.09	9.15	10.15	10.58
Ht. above LLW. (feet) ..	6.43	6.18	7.58	7.72	9.15

Post Office Notices

The following times apply to the Head Post Office, Szechuen Road Bridge, Earlier posting at Sub-Offices is needed.

WEDNESDAY, January 3.		Reg.	Ord.
Aust. N.Z. and Manila		9.15	10.00
Hongkong and Canton		9.30	10.00
Tsingtao		9.30	10.00
Hongkong and Haiphong		10.00	10.00
Kiangpei offices south and east of Jukao		19.00	19.00
THURSDAY, January 4.			
Tsingtao and Dairen		*19.00	7.15
Ninghsien Yungkia etc. via Chinhai	x	8.30	9.00
Minhow Foochow via Sankiangkow	x	8.30	9.
Kiangpei offices south and east of Jukao		19.30	20.00
FRIDAY, January 5.			
Tsingtao Weihaiwei Chefoo Tientsin		*20.00	8.00
U.S.S.R. and Europe via Siberia		*20.00	8.00
Chefoo and Tientsin	x	9.30	10.00
Hongkong	x	9.30	10.00
Nantung		14.30	15.00

* The night before.
X Provisional time—subject to alterations.
Next parcel mail for U.S.A. closes on January 12, 1940

Air Mails

Imperial Airways Service per steamer on January 3, at 9.15 a.m. for registered and at 10 a.m. for ordinary due London on January 17.
Pan American Airways Service per steamer on January 3, at 9.15 a.m. for registered and at 10 a.m. for ordinary due San Francisco on Jan. 16.
Air France per steamer on January 3, at 9.15 a.m. for registered and at 10 a.m. for ordinary.
Neth. (K.L.M.) Air Mail Service (Batavia-Naples) per steamer to Hongkong.
Royal Netherlands Indies' Airways K.N.I.L.M. (Saigon-Batavia-Sydney) per steamer to Hongkong.
Shanghai-Japan Air Mail Service: daily at 8 p.m.

Domestic Air Mail

Nanking per Shanghai-Nanking Air Line at 9.45 a.m. and 12.00, at Yuhang Road Sub-Office at 9.15 a.m. and 11.30 a.m.
Hwaining Kiukiang and Hankow per Shanghai-Hankow Air Line daily at 10.30 p.m.
Ningsia, Shensi, Szechuen, Yunnan, Kweichow, Hupeh (Shasi and west) and west to Hongkong for the Hongkong-Chungking plane.
Peiping, Tientsin, Tsinan, Tatung, Kalgan Shanhaikwan, Tsingtao, Tunghsan, Shihkiachwang, Changte, Kaifeng, Taiyuan and Yuncheng by the planes of the Chung Hua Air Transport Co. daily at 9.30 p.m.

Light Train Mail

Via N.S.R. 8.45 a.m. and 10.30 p.m.
Kiangpei offices north and west of Jukao 8.45 a.m. and 10.30 p.m.
Hangchow 11.30 a.m. and 10.30 p.m.
North Pinghan and Lunghai (Chenghsien and east thereof) 8.45 a.m. and 10.30 p.m.
Wuhu Hwaining, Kiukiang and Hankow 8.45 a.m. and 10.30 p.m.
Remarks: For Europe via Siberia:—Mails for Europe via Siberia are despatched on every Tuesday and Friday per trains via Nanking and Tientsin to connect with the Trans-Siberian trains.

Ocean Mails for Europe and America.

Next steamer mails will be closed as follows:—
Per steamer via Pacific, Jan. 12, due L'don Jan. 10.
Per steamer via Suez, Jan. 15, due L'don Jan. 17.

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ss. TSINGTAO MARU	Jan. 5	Jan. 7 at 9 a.m.
ss. DAIREN MARU	Jan. 8	Jan. 10 at 9 a.m.
ss. HOTEN MARU	Jan. 11	Jan. 13 at 9 a.m.
ss. TSINGTAO MARU	Jan. 14	Jan. 16 at 9 a.m.
ss. DAIREN MARU	Jan. 16	Jan. 18 at 9 a.m.

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ms. BOISSEVAIN	From Hongkong	Jan.	4, 1940*
ms. TEGELBERG	From Shanghai	Jan.	24, 1940
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Yesterday's Arrivals

Name	From	Consignees
Haitung	Tientsin	T.K.K.
Nagara M.	Japan	N.Y.K.
Anwoo	T'senkong	Dah Heing
Kenzan M.	Japan	Showa S.S.
H. Kiangnan	T'senkong	Foo Hwa
Sanko M.	—	M.B.K.
Wilford	Ningpo	T.C.C.
Sandro Sandri	T'lungkong	Chu Foong
Liesel	T'lungkong	Chin Deh
Needwood	Keelung	T.K.K.
Lipari	T'lungkong	Dong Shing
Hwaping	T'lungkong	Hwa Chung
Meitung	Hupukow	S.V.O.C.
Warrior	Japan	M.B.K.
Toba M.	Hongkong	N.Y.K.
Hakozaki M.	Keelung	N.Y.K.
Pres. Coolidge	Japan	A.P.L.

Yesterday's Departures

Name	Flag	Despatcher
Dairen M.	Jap.	D.K.K.
Nagasaki M.	Jap.	T.K.K.
Hsingya M.	Jap.	T.K.K.
Taiyo M.	Jap.	T.K.K.
H. Kiangnan	Ger.	Foo Hwa

Men-of-War in Port

Name	Flag	Type	Berthed
D. de Lagree	Fr.	Gbt.	F.N.B.
Fran. Garnier	Fr.	Gbt.	F.N.B.
Luzon	Am.	Gbt.	U.S.N.B.
Marblehead	Am.	Cr.	B.N.B.
Oahu	Am.	Gbt.	U.S.N.B.
Pigeon 6	Am.	Gbt.	Y.P.D.W.
E. Carlotto	Itl.	Gbt.	J.N.B.
Lepanto	Itl.	Gbt.	J.N.B.

Chinese Planes Bomb Japanese Troops Near Nanning

Swoop Down and Machine-gun Invaders; Peiping Shaken by Mysterious Blasts; Guerillas Active

Chungking, Jan. 1.

CHINESE aircraft heavily bombed Japanese troops concentrations in the vicinity of Nanning on December 27, it is officially announced here today.

The Chinese 'planes dived low over the Japanese troops, it is stated, sweeping them with machine-gun fire and inflicting many casualties.

Earlier in the day three Japanese pursuit planes are said to have been engaged by Chinese fighters, with the result that two Japanese aircraft were shot down in the vicinity of Szehsiung.—Reuter.

Peiping, Jan. 2.

Violent explosions close to the city shook Peiping, causing some alarm among inhabitants yesterday.

One report, so far unconfirmed, states two Chinese bombers flew over Fengtai, a few miles to the south-west of Peiping, and bombed the town, hitting an ammunition dump and causing three terrific explosions.

It is definitely known, however, that a foreigner attempting to reach Fengtai by train this morning was turned back by police and not allowed to proceed.

A large number of Japanese planes were seen flying over the city just before the explosions, which some Japanese circles say were caused by bombing practice. It is unusual, however, for such heavy explosions to be heard so close to the city.

It is also repeatedly rumoured there has been fighting in recent days close to the East Gate, but the Japanese spokesman says he has no information on the subject.

The violent explosions were due to Japanese bombing practice, according to the Japanese spokesman here. He denied an unconfirmed report that Chinese planes had flown over the vicinity of Peiping.

The practice, the spokesman added, was held about six kilometres from Lukouchiao, where the first shot of the Sino-Japanese war was fired in July, 1937.—Reuter.

Yunnan Railway Bombed

Kunming, Jan. 1.

Twenty-seven Japanese planes today again raided the French railway in Yunnan, 100 kilometers from the border. Bombs caused one casualty and slight damage to an important bridge. Traffic was restored by nightfall.

Weather conditions, it is learned, prevented nine planes from reaching Kunming.

Twelve Japanese planes twice raided Mengtz during the day. It is reported, however, that little damage was caused despite "unscrupulous bombing."—Reuter.

Ichang Attacked

Ichang, Dec. 31.

Seven Japanese aeroplanes made an air raid on Ichang at 9.40 o'clock yesterday morning. Twenty light bombs were dropped near the old East Gate.

Casualties were relatively few, although some wounded were treated at hospitals. No fires were started.—Reuter.

Paotow Undamaged

Peiping, Jan. 1.

In order to refute alleged Chinese claims, the Japanese military authorities flew foreign correspondents to Paotow, in Suiyuan province, where they spent 12 hours interviewing local Japanese military authorities.

The correspondents returned yesterday and reported that Paotow was untouched by the fighting and now all was quiet, although a small group of Chinese troops succeeded in forcing entry at one stage of the fighting.

In the main fighting, the correspondents were told, the Chinese force was subsequently beaten off with severe losses due to aerial bombardment. The Chinese are now said to be in full retreat.—Reuter.

Guerillas Near Canton

Canton, Jan. 2.

After two months of comparative inactivity, it is reported Chinese guerillas are once again harassing Japanese troops at Fatshan, a town about 12 miles to the south-west of Canton, and also in the Tungkun district, 40 ciles to east of Canton.

Unconfirmed reports state that these units have met with minor successes, but at present it seems unlikely that they will be able to make headway beyond these actual districts. Furthermore, Japanese reinforcements from Canton would be in a position to control the situation if called upon.—Reuter.

Kwangtung H.Q. Occupied

Canton, Jan. 2.

Field headquarters of Gen. Yu Han-mou, acting commander-in-chief of the Chinese Fouth War Zone, were occupied by Japanese troops at 5.40 o'clock on Sunday evening when Sanhwachen, 20 kilometres north-east of Yungyun, was captured, field dispatches reaching here today stated.

Yungyun, situated 170 kilometres north of Canton, east of the Canton-Hankow Railway, is located on the main Kiangsi-Kwangtung Highway, extending southward from Nanchang.—Domei.

C.-in-C. at Shiukwan

Hongkong, Jan. 2.

Gen. Chen Cheng, commander of Yunnan-Kwangsi border defence forces who has been stationed at Liuchow directing a counter-offensive in the Nanning area, entrusted Gen. Lo Cho-ying with the command of Kwangsi troops and flew to Shiukwan after receiving reports of a threatening situation there, according to a message from Shiukwan yesterday.

Upon arriving in Shiukwan, Gen. Chen held a conference with Kwangtung military leaders to decide measures to be taken to meet the Japanese advance into northern Kwangtung, the dispatch said.

Meanwhile, it was reported that several units of the Central Army were moving from Hunan toward Lohchong.

Competent observers believed that the Chinese forces would not be able to defend Shiukwan and that it would be taken by the Japanese in the near future, according to the message.—Domei.

Mrs. Chamberlain Speaks To Women of France

Part in National Defence Stressed in Broadcast

Paris, Jan. 2.

A New Year message from Mrs. Chamberlain, the wife of the British Prime Minister, addressed to the women of France, was broadcast here yesterday.

After recalling her own visits to France, Mrs. Chamberlain declared: "I am convinced that the feelings of friendship which already bind us together have gained a new depth, and a new force by the sacrifices we have both been called upon to make, on behalf of a cause which is, in effect, that of all humanity. For some among you, as for women of Great Britain, this New Year will be darkened by mourning for those who have made the supreme sacrifice. To those I would say that their loss is not, and will not, be in vain. They will have helped to secure the future for our children."

Mrs. Chamberlain added that women, whether in their own homes or billeted in homes of others, whether attending their own families or working on the land or in factories, were playing an essential part in national defence, and making a contribution to final victory.

After stating that the Prime Minister, Mr. Chamberlain, following his recent visit to France, had told her of the kindness French people were showing towards the British troops, and declaring that those troops were only an advance guard of the great army Britain was now assembling, Mrs. Chamberlain continued: "I would like to give you a message of hope for the future. War has always meant for women hardships and suffering, but we can look forward with confidence to a triumph of our cause. On the day when victory is ours, and we have won through to an enduring peace, it will be our common aim to work together for the happiness and well-being of mankind. It is the certainty of the justice of our cause which gives every one of us, British and French, that spiritual faith which sustains us."—Reuter.

Saves £1½ Million Every Day

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

Since the National Savings Committee launched its new campaign on November 22, more than 1,000,000 Savings Certificates have been sold on each working day. Including the Defence Bonds, savings amount to more than £1,500,000 a day, despite Christmas spending.—Reuter.

British Press Comments on Vision of New European Order After True Peace

French Premier Expresses Thoughts of Millions of People in Stressing Future Federation of Nations

SPECIAL TO THE "N.C.D.N."

London, Jan. 2.

Several newspapers today refer to the striking speech of the French Premier last week, in which M. Edouard Daladier spoke of recent agreements on economic and financial co-operation between France and Great Britain, and declared that "a new Europe should have a far wider organization than that which now exists."

The French Premier went on to say it would be necessary "to multiply exchanges and perhaps to envisage federal ties between the various States of Europe."

This insistence by M. Daladier on the value of Anglo-French solidarity for the future of Europe is remarked upon by "The Times," while the "Manchester Guardian" thinks "he has sounded a note of leadership for which the Democracies have been looking for many years. His firm tone for the present and his bold views for the future, show that the Western Democracies have taken the initiative, and have their own plans for a new Europe. The completeness with which Great Britain and France can achieve economic unity and the liberality with which they can maintain trading relations with each other during the war will largely decide the prospects of the new Europe."

The "Daily Herald" also commends M. Daladier's vision of the future, saying that he is "the first leading statesman to say what millions of ordinary men and women have been thinking. Everybody with any common sense realizes that nations must relinquish some of their unrestricted national sovereignty if there is to be any hope of stable peace and progress."

"The Times" observes: "The Europe of 1939 is gone for ever, and few will regret it. Whatever is built out of the ruins will be very different, and, we must hope, of a finer structure. In creating an international order capable of perpetuating peace, we must be prepared for far-reaching changes, and it may well be that the national sovereign State, as Europe has known it for 400 years, will consent to modifications hitherto regarded as impracticable.

"It is right that even while we grapple with the stern ordeal before us, some minds at least should be concentrated on working out these problems that lie far ahead. The immediate task for 1940 is a bitter fight with an unscrupulous, ruthless and formidable adversary, but we can face it with higher courage and a deeper assurance of victory if our hearts are set on the ultimate achievement of a juster world."—Reuter.

Germany Has New Spy Scare

Traffic Between Reich And Holland Being Discouraged

Amsterdam, Jan. 2.

A new spy scare in Germany is described in an article dated from Holland's eastern border, published in the Rotterdam newspaper "Maasbode."

This fear of spies, it is stated, is the reason for the marked discouragement noticeable lately of all traffic between Germany and Holland. Over Christmas very few of those people who applied to go to Germany to visit friends and relations were granted the necessary permits. New notices saying "Caution in conversation; the enemy is listening" have been stuck up on the German side of the border.

The constant movement of troops, the blackout of trains and the huge war traffic in Germany have caused the German authorities to give great publicity to warnings against spies and to the law against high treason, says the "Maasbode." North of the railway line from Bentheim to Osnabruck the cutting-off of traffic is not so complete as south of the line. This is presumed to be connected with the concentration of German troops in Coesfield, Borken, Raesfeldt and Bocholdt, which is said to be reserved for the Seigfriend Line.

Truth Kept from People

There is, however, another reason for discouraging the traffic between Holland and Germany, the article continues. It is not desired that German newspaper readers should learn by word of mouth from people across the border what is carefully withheld from them in their papers.

In Germany, it is added, everyone is convinced that Holland is being as it were starved out by the British blockade. "Holland is also at war," people in Germany say "but the Government and people do not want to recognize the fact." The more closely the border is shut, the "Maasbode" comments, the more easily can such fairy stories be spread.

Meanwhile, the paper observes, the latest thing verboten (forbidden) in Germany is the scattering of cinders on pavements when they are covered with snow or ice. For the period of war this has been prohibited, the reason given being that it ruins the soles of shoes. Those who scatter cinders in streets do so at the risk of legal punishment.—Reuter.

Liberation of Czechs Seen in New Year

Dr. Benes Says Allied Victory Also to Be Czechoslovakian

London, Jan. 2.

Confidence that 1940 will bring liberation to the suffering peoples of Central Europe is expressed by Dr. Edouard Benes, President of the Czechoslovak National Committee, in a New Year message.

"The year will be decisive for the victory of the Allies. Nazi leaders see already that they have definitely lost unless they can secure a compromise settlement. Therefore, they will during the next month try desperately to save most of their rape of Poland and Czechoslovakia by proposing different unacceptable and politically impossible peace terms with the object of preserving their regime for the time being to enable them later to begin once more an immoral, barbarian policy aiming at the domination of Europe," he adds.

Dr. Benes further declares that the morale, strength and spirit of resistance of the Czech nation are greatly strengthened by the recognition of the Czechoslovakia National Committee by Britain and France. "The Czech nation," he concludes, "enters the New Year with the firm belief that the Allies' victory will also mean victory for Czechoslovakia."—Reuter.

"Neutrals Must Hold Together or Go Out."

Danish Premier's Warning To Small Nations

Copenhagen, Jan. 2.

"The small nations of Europe will go under if the war continues to affect them as it has done in the past four months."

This warning was voiced last night by the Danish Prime Minister, Dr. A. M. Stauning, in a broadcast speech.

They entered 1940, he added, with subdued hope. It was impossible to prophesy about the fate of the neutrals, but he could not see a hopeful future. They must hold together or go out.—Reuter.

OBITUARY

Lady Jordan

London, Jan. 1.

Lady Jordan, widow of the former British Minister in Peiping, died here today.—Reuter.

Arrived in China in 1900

The late Lady Jordan, more than 80 years old at the time of her death was the mother of Dr. J. H. Jordan, Commissioner the Public Health Department of the Shanghai Municipal Council. She died of a stroke. Her condition was recently known to be improving but later complications set in. As wife of the British Minister to Peking, the late Lady Jordan arrived in China in 1900 and returned home for good in 1919. Her husband died in 1925.

Duce Explains Pope's Visit to Fuehrer

Berlin, Jan. 2.

Signor Benito Mussolini sent a letter to Chancellor Adolf Hitler yesterday, outlining Italy's general diplomatic position and explaining the circumstances surrounding the visit of King Victor Emmanuel to Pope Pius, and the latter's return visit.—United Press.

U.S. Line Ships Sold To Norwegian Firm

Washington, Jan. 1.

The Maritime Commission has approved the sale of eight United States' Line ships to a Norwegian concern, the North Atlantic Transport Company.—Reuter.

Positions Vacant

Do not enclose original testimonials when replying to advertisements. Copies answer the same purpose.

WANTED a male Chinese typist for office work, salary $40 monthly. Write Box 12, NCDN. -28

TWO neat intelligent girls, fluent English and Chinese imperative, reside on business premises, share heated quarters plus $150 each salary, dignified work. Apply in own handwriting to Box 11, NCDN., submit references. 10051

WANTED Chinese lady able to speak Russian, English, for office work. Salary $30. Apply 616 Avenue Foch, 9-12, 2-6 p.m. -39

YOU can obtain a British degree in accountancy or secretaryship in Shanghai. Send for free prospectus. British School of Accountancy, 264, Kiangse Road, Telephone 14967. Principal, J. Webster Watts (Chartered Accountant). -2063

MECHANICAL engineer, capable of taking charge of workshop, required for outport. State qualifications, with references. Address Box 5656 NCDN. -10713

FOREIGNER or Chinese, with fluent knowledge of English, wanted immediately by large foreign export and import firm to take charge of shipping. Must be thorough, exact worker, capable of supervising staff and preparing documents. Experience in shipping routine essential. Apply stating full particulars, references and salary required to Box 5662, NCDN. -10722

EXPERIENCED radio transmitter engineer wanted by reputable firm. State nationality, experience, remuneration. Address Box 5652, NCDN. -10703

WANTED Briton or American capable to translate during spare time cultural and literary Italian texts into excellent English. Permanent arrangement and good remuneration offered. Reply Box 5676, NCDN. -10744

EVENING school wants experienced teacher of English. Englishman or American. Address Box 5673, NCDN. -10739

WANTED for hotel in Japan, dining-room steward, 30-35 years of age, with perfect knowledge of English. Apply stating nationality, previous experience, salary expected, and references to Box 5647, NCDN.

ADVERTISING agent required. Foreigner with experience and English, Russian, some German knowledge. Full particulars to Box 5643, NCDN. -10620

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VIENNESE, highly educated, speaking English, French, experienced businessman, bookkeeper, wants suitable position. Address Box 5599, NCDN. -10598

DIPLOMAED engineer, Russian, 36, seeks permanent position. Well-experienced in all electric mechanical works (automatic telephones, radio.) Hardworking, reliable, able to supervise Chinese workmen. Good references. Box 5560, NCDN. -10512

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FOREIGN 'Y' Chinese classes, Mandarin and Shanghai dialect, starting Tuesday, January 9. Private work also arranged. Apply Educational Office, Telephone 92250. 10050

MISS Moalem's School, 218 Yuenmingyuen Road, for kindergarten and primary grades. Spring term commences January 3, 1940. Telephone 14080. -10951

DRAWING lessons in designing of ladies' fashions given by experienced gentleman teacher at pupil's home. Write to Stein, 328 Tiendong Road. -10676

FOREIGN "Y" French beginners, intermediate, advanced classes starting Monday, January 8. Private work also arranged. Apply Educational Office, Telephone 92250. -1

YOUNG lady gives lessons in German stenography. Telephone 70598. -10706

COMPLETE commercial course, shorthand (Gregg/Pitman), typewriting, English, book-keeping, coding, filing. Students prepared for Pitman, Gregg and London Chamber of Commerce examinations. Moderate fees. Apply Mrs. Sweeney, Steno-Typist Academy, 173/301 Seymour Road. -8835

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THE Shanghai Business College. New session. Join now in preparation for suitable progressive position. Pitman's shorthand, typewriting, bookkeeping, accountancy, commercial English, conversation, etc. Morning, afternoon and evening classes. Successes unparalleled. Apply for syllabus. 320 Szechuen Road. Telephone 17733. 13168

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VERY rare tea-coffee set for 12, genuine Royal Wurttemberg china; also really beautiful Meissen breakfast set for two, handpainted and gold decorated, for sale. Apply Box 8, NCDN. -21

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BARGAIN, real silver and plated sets, crystalware, porcelain, bronzes, Philips radio, lady's fur-coat, vacuum cleaner, etc. 494 Weihaiwei Road, 5 Yang Terrace, Room 6, Telephone 61114. -39

BARGAIN sale: Singer sewing machine in a good condition and an Electrolux cleaner at reasonable prices. 138 Hamilton House. -23

VISIT us and you will find all things you like at Emigrant Sellers, 720 East Seward Road. -20

HIGH-class Persian carpets, attractive crystalware, quality porcelain, wineglasses. 150 Tifeng Road, House 15, Flat 2. -10630

BEAUTIFUL crystalware, dinner-sets, porcelain figures, oil paintings. 421 Avenue Roi Albert, Apartment 5. -10503

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CHEAP sale. Three sewing machines with accessories for zig-zag sewing. Apply by letter Unger, 1173 Bubbling Well Road, Apartment 43. -10637

CONTINUOUSLY. Selection of fine, genuine Persian carpets, oil-paintings, articles of art. Dr. Samet, 2 Avenue Petain. -10671

AMERICAN shoes, men's, high quality, all styles, liquidating at $28 per pair, only one third of the cost. 131 Museum Road, Room 228. -10609

SHIRTS correctly made to measure. English poplins and pure silk from $14.50. Razon's, 12 Central Road. 13186

Radios

WANTED, standard make late model radios and radio phonographs. Telephone 38488, 12-2 p.m. or address Box 5653, NCDN. -10704

HOWARD American Communication Radios. "The pick of the crop." Exclusively imported by American Radio Equipment Company. 55 Yuen-Ming-Yuen Road. 12182

RELIABLE repairs. All make radios. Foreign engineers. 1940 models, RCA Victor, Zenith, stocked. Universal Radio Co., Authorized R. C. A. Service Station, Telephone 19225, 232 Nanking Road. 10015

FOR SALE New Phillips radio, 7 tubes 1939 model. 12 Rue du Consulat, Apt. 501. 13251

AMERICAN and European radios repaired by qualified foreign, engineers. Antennas installed. For service telephone 78644, Radio and Electrical Ind., 145 Route Sayzoong. -10091

FOR radio repairs call International Radio Service, foreign workmanship, 9 Cardinal Mercier, Telephone 75897. -3688

Furnished Apartments

2½-roomed flat, bath, kitchen, hot/cold water, steamheating. All modern conveniences. 1272 Avenue Joffre. -32

SETTLEMENT. Well-furnished, modern, four-roomed apartment, two bathrooms, big, south-facing verandah. Rent $385. Furniture, carpets, fittings to be taken over for US$1,200. Box 14, NCDN. -37

SMALL, furnished, two-roomed flat to responsible bachelor. Very quiet location. 54 Route Grouchy. -10640

TO LET one or two rooms, well-furnished, in the modernest apartment with all conveniences, Bubbling Well, especially suitable for doctor offices. Apply Box 1, NCDN. -5

BUBBLING Well, offered to responsible party for six months/longer, bright, well-furnished, three-roomed modern apartment with big, south-facing verandah, $1,000 per month includes rent, light, telephone. Address Box 5623, NCDN. -10632

Agencies

FOREIGN selling agencies wanted. The well-known manufacturers of the most reliable and durable flashlights, batteries and miniature bulbs in this city, having recently received incessant inquiries and orders for their products for abroad and with a view of facilitating the distribution to meet the need of world markets, are prepared to grant sole selling rights to those firms of good standing that are interested in the business. For full particulars please communicate with Box 5559, NCDN. -10611

Dancing

MISS Lilian Grey, qualified instructress in ballroom dances, gives private lessons at Waldemar's Dancing Academy, 1272 Avenue Joffre. -31

Personal

MR. Charlie Wiedemann, I have a letter for you. Please come at the Weida Ballroom, 993 Avenue Joffre, any evening from 8 to 12 p.m. Friend. -7

A YOUNG man, 26, not refugee, of Jewish faith holding good position is seeking the friendship of a Jewish girl about 20 with view to matrimony. All replies treated confidentially. Box 5589, NCDN. -40

YOUNG foreigner (speaking German, English, French) desires acquaintance of young independent Viennese lady, view sincere friendship and outings. Address Box 5685, NCDN. -10666

Miscellaneous

SECONDHAND furniture store. Buying and selling, new and secondhand furniture, household effects, cut-glass, carpets, etc. Feiner, 306 Rue Bourgeat, Telephone 73597. -19

USED, also defect violins, accordions, strings, ingredients; buys, sells, repairs. Gutfreund, 805/23 East Seward Road. -42

ACADEMIC painter and restorer undertakes efficiently restoration of pictures at lowest prices; at own/client's home. Box 3841, NCDN. -10690

NEWEST oriental discovery is Professor Amar Vaydia's herbal tonic "Bramcharia" in liquid, pills and drops that rejuvenates whole system, purifies blood thereby cures such diseases as general weakness, neurasthenia, tiredness and insomnia. Obtainable at Ayurvedic Hall, 651 Weihaiwei Road, Apartment A21, Telephone 36605. -10728

Motor Cars and Cycles

FOR SALE, Morris Minor, 1932, two-seater with dicky, good condition, economical, 28 miles per gallon. Price £30. Address Box 5682, NCDN. 13238

WE have in stock a complete line of used cars. We also buy, exchange and lend money on cars. American Motors, Fed Inc. U.S.A. 444 Avenue Foch. Telephone 35646. 10014

WANTED, Buick sedan, model 1937-9, preferably private owner. Replies must state all particulars including cash price to Box 5677, NCDN. -10745

WE offer cash for used cars and trucks. Apply Jenny's Motors, 177 Amiral Courbet. Telephone 73165. -10674

Lost

AT Casanova, New Year's Eve, lost one gold brooch. Reward. Box 6, NCDN. -18

LOST. The public is hereby notified that the D/O No. B-9760 for 25 bales of White Cotton Cloth, Blue Phoenix Brand, issued by Japan-China Spinning & Weaving Co. is found lost and the same is announced void and null. Heng Foong Transport Co. -30

LOST. Sub-passes No. AJ 69525 and 69526, 60 casks citric acid, ex. ss."Titania" from Antwerp Customs No. 44/6/2163, B/L No. 38 imported 14-4-39, have been lost and are hereby declared null and void. The Asia Transportation Co. -10649

ONE wrist watch between Bubbling Well Cemetery and Hart Road on December 24, finder will be suitably rewarded. Reply to Box 5591, NCDN. -10676

Wanted to Purchase

WANTED buy secondhand carpets, trunks, suits, dresses, shoes. Telephone 39965, ask Mr. Bers, 8-10 a.m. 1-3, 6-8 p.m. 10140

WANTED to buy: second-hand carpets, clothing, suits, dresses, shoes, 1129 Bubbling Well, House 51, Mr. Corts. -10080

Wanted to Rent

WANTED about five-roomed house, vicinity Roi Albert preferred. Will pay reasonable key-money and reasonable rental. Give full particulars Box 9, NCDN. -29

WANTED house or apartment by responsible foreigner. Willing take furniture over and pay key-money. Telephone 74850. -12

BOARD and lodgings in private Scandinavian, English or American family wanted by young Scandinavian in the Consular service. Address Box 13, NCDN. -26

WANTED to rent February 1, three/four unfurnished rooms in International Settlement. Kitchen, bathroom, lavatory; without key-money. Box 5609, NCDN. -35

WANTED to rent, apartment, not less than 4 preferably 5 or 6 rooms or house of 6 or more rooms, in western residential part of International Settlement; occupation soonest possible. Address Box 4966, NCDN. 10008

JAPANESE businessman, American college graduate, desires two-three roomed apartment, furnished or unfurnished, or rooms in modern apartment house. Bubbling Well or quiet section Settlement. Address Box 5540, NCDN. -10472

Houses and Land

FOR SALE, various land lots and houses. Apply Agency Korlin, 146A/1, Route des Sœurs, Telephone 78499. -11

Offices, Shops, Godowns

OFFICE wanted, two or three rooms, steam heat; apply stating rent, Box 5651, NCDN. -10701

TO LET, Ste Anne Building, 25 Rue du Consulat, office rooms. Apply No. 34, third floor. -10467

Beauty Culture, etc.

Advertisements under this heading are carefully scrutinized before acceptance, and though no guarantee can be given readers may be reasonably assured of their bona fides.

LADY gives general massage, manicure 10-7 p.m. 205 Peking Road, Apartment 30. Second Floor. 10029

MASSAGE, manicure, pedicure, 9, Central Arcade, upstairs, Corner Szechuen Road, entrance from Ezra Road. Telephone 11984. -10558

LADY gives massage from 9 to 9, 1225 Bubbling Well Road, Room 231, Telephone 34200. -2069

Chinese Servants

72782 GENERAL Employment Agency Reliable cooks, boys, amahs, chauffeurs, Foreign management, Quick service, 1272 Avenue Joffre. -33

WANTED, strong and healthy baby-wash-amah, Hungjao, live in. State salary required. Box 5654, NCDN. -10706

73148 CENTRAL Employment Agency (British). Only one with 3,000 satisfied customers. Cooks, boys, amahs, chauffeurs, watchmen. -2480

Rooms with Board

FURNISHED room with private bathroom. Full board. Arcola heating, garage. 14 Kelmscott Gardens. Telephone 72385. -14

VERY fine, double room, alcove, bath, verandah, garden, garage, comfortable. Board. 7 Columbia Road, corner Great Western Road. Bus 2 and 14 stop. Near American Club. -24

BUBBLING Well. In apartment, large, well-furnished, bed-sitting room (private bathroom, entrance and telephone). Full board of excellent food, $500, for single person, or three-roomed suite with private kitchen, for $900. Board can be arranged if desired. Box 15, NCDN. -37

Rooms Without Board

TO LET, big, well-furnished room, with all conveniences. 613 Rue Bourgeat, House 17. -17

TO LET, furnished two rooms, arcola heating in a quiet district near Jessfield Park. 37 Brenan Road, House 115. -9

IN modern apartment, one elegantly furnished room. All conveniences. Board optional. 1821A Avenue Joffre, Apartment 2. -41

JANUARY 15, one furnished steam-heated room, modern conveniences. Near bus and tram. Address Box 10, NCDN. -10052

ONE or two large rooms, steamheated, in modern apartment building. Centre Concession. Telephone 32955. -44

TO LET, large room, verandah, private bath, with all conveniences. 175/9 Kiaochow Road. Also shop to let. 278 Broadway Road. -43

EUROPEAN Villa, Avenue Joffre, tramstop, well furnished rooms each with attached private bath, large garden, garage, good stoves or fireplaces. Telephone 78253 from 5-7 p.m. -6

COSY room in family house, for quiet single person. Bus 1, 9, western district. Telephone 21764. -26

FRENCH Concession apartment, large, south, nicely furnished room, breakfast optional. No refugees. For particulars telephone 73248. -10663

Furnished Houses

BRITISH family, leaving Shanghai, must dispose of well-furnished 6-roomed house in Settlement. Garden, garage, two bathrooms. Rent $350. Newly decorated throughout, fittings and contents $11,000. Box 5, NCDN. -16

Unfurnished Houses

NINE-roomed house located in most desirable residential section French Concession, low rental, furniture including rugs, draperies, electric refrigerator, radio, glassware, china, etc. to be taken over. Address Box 5681, NCDN. 13239

Animals

LOST from Deanery, 210 Hankow Road, 6 months-old Black Cocker Spaniel answering name Johanna. 10059

IRISH terrier, championship imported stock at stud to approved bitches. Apply Wallis, Telephone 17222. 12618

YOUR personal property is insured. why not your pony against loss or death by accident or sickness. Hugh Middleton & Co. (Ins.) Ltd. 45 Kiukiang Road. Telephone 16595. 10016

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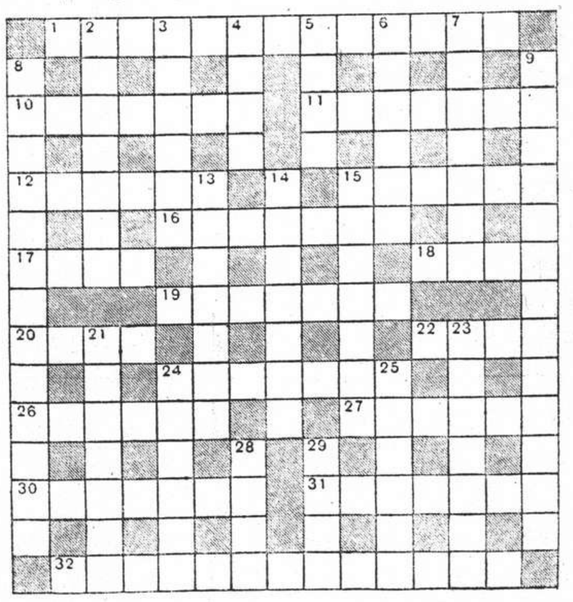

ACROSS

1 These learned ladies were not necessarily brilliant at athletics at the 'Varsity
10 Describes the intentions of those who believe in appeasement
11 He may be no artist but what he draws he sells
12 A show of dancing
15 In ancient history she kept her watch on the Nile
16 This sort of arrangement is a systematic one
17 One Roman law makes a tree
18 Horse drivers find it useful, motorists fear it
19 Like
20 This stone was important in Victorian history
22 Disturbed tail of 26 across
24 Character in Romeo and Juliet
26 No. it is not the head of this insect that is to be avoided
27 Perhaps he may put F.R.S. after his name
30 This might come from Castile
31 Would women drivers be more used to taking this change of direction in a road?
32 According to current passages armament firms find this very attractive

DOWN

2 One sort of discourse
3 Accomplish
4 This to a sailor may mean direction or food
5 Take for example a bit of excitement
6 Weaken
7 A race course
8 Except in a Casino it was creditable to sit at this
9 Planning
13 Though one may travel this is one's home for a bit anyhow
14 It is strange to see us after something unusual
15 Contrives to show a truism in two words
21 Sounds a suitable medium for making that birth announcement
23 A word used once in these clues but more than enough
24 These peoples generally border on the Atlantic in Europe
25 Describes the ways of a charming kleptomaniac
28 This city is commonly seen in a siege
29 Just a fancy

Y'DAY'S SOLUTION.—**ACROSS:** 5 Sabots; 8 Skypilot; 9 Falling; 10 Exact; 11 Gunpowder; 13 Loiterer; 14 Number; 17 Ope; 19 Egg; 20 Border; 23 Ganymede; 26 Aggressor; 28 Idler; 29 Chervil; 30 Hush hush; 31 Stalin. **DOWN:** 1. as well; 2 Pyramid; 3 Mistletoe; 4 Dotage; 5 Slapping; 6 Below; 7 Tendered; 12 Urn; 15 Ugly sight; 16 Long shot; 18 Prussian; 21 Ego; 22 Fell out; 24 Artful; 25 Earthy; 27 Rural.